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FBIS-SOV-95-249 *28 December 1995*

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Guidelines

Yabloko Bloc Criticizes Timing of Election Runoffs

LD2712125295 Moscow INTERFAX in English 1103 GMT 27 Dec 95

[FBIS Transcribed Text] MOSCOW, Dec 27 (Interfax) — The Moscow electoral commission has violated the existing legislation by slating the second round of gubernatorial elections for December 29 and 30, or the eve of New Year's celebrations, the Russian Duma faction of the YaBLoko movement said.

The statement was signed by YaBLoko leader Grigoriy Yavlinskiy and transmitted Wednesday to Interfax. It accuses the electoral commission of "a gross violation of Art. 30 of the law on the basic guarantees for suffrage in the Russian Federation."

The law demands that elections be held on one day, that the day set for elections be a holiday, and that the citizens be informed of the date and place of the elections twenty days, and not a week, before the event, the YaBLoko statement says.

The YaBLoko faction fears that public control of the elections will be "highly problematic on the eve of the celebrations."

Commentary

Chernomyrdin Cited on Presidential Elections

MM2712163295 Moscow IZVESTIYA in Russian 28 Dec 95 pp 1-2

[Report by Vasiliy Kononenko: "At June Elections Communist Will Be Opposed if Not by Yeltsin Then by Chernomyrdin"]

[FBIS Translated Text] The week's break which the "Russia Is Our Home" [NDR] movement executive committee had taken to consider the results of the recent State Duma elections ended at the "Lesnyye dali" rest home near Moscow 27 December. Deputies elected on the NDR party lists and "single-seaters" attracted to this movement gathered there for their first organizational meeting. Together with the elaboration of the tactics of the struggle for influence in the State Duma the debate on the banks of the Moscow river also gives grounds for supposing that the NDR and perhaps the party's leader, V. Chernomyrdin, intend to struggle for the presidential seat in 1996.

This story looks entirely feasible in the light of a whole series of facts. First, the president seems deliberately to be in no haste to create his own pre-election staff although no one in his entourage doubts that B. Yeltsin will run. On Staraya Square only a small group of functionaries has been gathered who are engaged in organizational matters and are holding consultations with specialists who have experience in mounting election campaigns. At the same time the NDR headquarters has no intention of even taking a pause in its work, which was confirmed by V. Chernomyrdin at the "Lesnyye dali" meeting. "The movement's executive committee and its headquarters will work through the presidential elections and take part in them with all their might, and on a large scale," he noted.

In this connection informed sources in the top echelons of power conclude that by spring, when it will be possible to determine the ratings of B. Yeltsin and V. Chernomyrdin with great accuracy, it will finally become clear which of them will run for the presidential elections. And it will be on the basis of ready-made NDR schemes and structures. In other words NDR could equally become a roof for the present premier and the president.

There is no doubt that much will have to be done for the presidential elections. Primarily it will be necessary to rally around the NDR the reformist section of the deputies' corps and most importantly to break the "leftism" trend in society which emerged with the Communists' victory at the parliamentary elections. In this connection we can consider V. Chernomyrdin's speech to his fellow fighters to be a policy-making one. He did not dramatize the existing situation. "No hopelessness and futility as a result of the elections!" he stressed. The NDR as a movement of centrists, reformists, and statesmen has every chance of attracting deputies of democratic bent to its ranks and of defending the reforms course. Nor should there be any doubt that to push forward reformist draft laws and decisions the faction will seek allies and partners not only in the "right" wing of the State Duma but also in the "left" wing. To be more precise, in the social-democratic part of the Communists' faction. "And there is nothing seditious in that," V. Chernomyrdin said.

The premier did not go into the details of the plan of actions the NDR is elaborating for the forthcoming six months. He merely stressed that the results of the elections attest to some blunders and setbacks for the government. They cannot be ignored. Nonetheless the course of reforms should remain as before but amendments must be made to it without delay.

As a priority task V. Chernomyrdin cited restricting the growth of prices to 1.5-2 percent a month so that credits become cheaper and investments "go through." In the winter months the procedure of indexing not only fixed capital but also working capital should already

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be introduced into economic practice, which, overall, should lend impetus to economic growth. As a result of these and other measures an opportunity should appear for compensating for the savings the population has lost. It is planned to begin these payments in the next few months — primarily to those over the age of 65 and to war veterans. At the same time decisions are being prepared for supporting housing construction.

From this it can be seen that V. Chernomyrdin views the task of a breakthrough in the social sphere as the most important for the period of the presidential election marathon. It is also perfectly obvious that it is initiated not by the Ministry of Finance or another government organ but by the NDR movement's "headquarters staff" who are vigorously preparing for the political battles. Your IZVESTIYA correspondent was told by S. Belyayev, who will probably head the pro-government faction in the State Duma, that in addition to the 55 NDR deputies it will be joined by many of those deputies who went to the elections under democratic slogans. Calculations show that the centrist bloc headed by the NDR could thus have something in the order of 80-100 deputies. Intensive consultations are now under way with a view to ascertaining the possibilities for forming a coalition.

"Yabloko" is "genetically" predisposed toward joint reformist actions with the NDR, he continued. The first contacts with its representatives have not revealed any antagonisms. At the presidential elections the democratic bloc's chances should be higher than the Communists' since the present success of the CPRF is predetermined by the degree of organization of its electorate and not by the correlation of social groups with established interests. In this connection V. Chernomyrdin's promise to "investigate" some regional leaders was not spontaneous. In a number of oblasts, despite the assurances of the administration heads there that they would support the NDR, they were seen not only to be idle but even to be opposing it. At the forthcoming elections the stake will be far higher. A more monolithic team will be needed for success and the demands made on representatives of the executive branch will be in keeping with this, S. Belyayev said.

Thus the debate at "Lesnyye dali" leaves no doubt that the NDR is being transformed into a monolithic party and is seeking to attract the democratically inclined section of society so that in June 1996 with other parties of a democratic bent it can give resolute battle with the "leftists" and put forward its candidate for the post of president.

Gaydar Warns of 'Upheavals' in Store

MM2712141795 Moscow IZVESTIYA in Russian 26 Dec 95 p 5

[Interview with Yegor Gaydar, leader of "Russia's Democratic Choice-United Democrats" electoral bloc, by Nikolay Bodnaruk; place, date not given: "Yegor Gaydar: This Is Merely the Prelude to New Upheavals in Russia"]

[FBIS Translated Text] [Bodnaruk] What are your dominant feelings, Yegor Timurovich? Annoyance with yourself, resentment at voters...

[Gaydar] Good grief, what is the point in feeling resentment at them? They are the only voters we have.

[Bodnaruk] But why has society suddenly rushed back to communism?

[Gaydar] What has happened is what was bound to happen. There is in fact a logic in postcommunist transformations — it is now clearly visible. In simple terms, it looks as follows. First: The communist regime collapses amid a crisis when everything that can be squandered has been squandered. Two: The governments that come in on a wave of naive anticommunist populism inherit a ruined economy. Three: In these conditions economic transformations always prove difficult everywhere, because from the very first day the government is faced with a choice between very unpleasant decisions. Four: Even where the transformations proceed successfully, they throw up new problems along with new opportunities. For instance, a different form of inequality: Instead of hidden privileges like Department 100 in the GUM store and special distribution centers, there is an open, glaring form of inequality that is unfamiliar to society. All this, taken together, whips up a wave of social protest that is vigorously exploited by postcommunist parties. They often come to power on the crest of this wave in the second elections after the start of reforms. Then there is a parting of the ways. In East Europe the vassal communist parties are indeed evolving in the direction of social democracy, but in our country the imperial communist party is evolving in the direction of national-socialism. So there is a common problem, but different degrees of risk.

[Bodnaruk] Today you can hear various assessments of the election results, ranging from "nothing terrible" to "a disaster." How do you see this?

[Gaydar] I see it as a defeat for Russian democracy. As the prelude to grave upheavals for our country and as a serious risk of dangerous new experiments. There is a rising tide. I know it will come. And I know it will pass. It will be shorter than the last 70-year one

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and much lower, but it may prove very dangerous and involve extremes.

[Bodnaruk] Do you think it may sweep over us as early as next year?

[Gaydar] It may. I think that extremely grave ordeals lie in store for us over the next two or three years.

[Bodnaruk] In other words, the Communists' arrival in power is real?

[Gaydar] Totally real. But they will not be able to use this power. The smartest thing they could do would be to forget about their promises the day after the elections. Not about half or two-thirds of them — forget them entirely, wipe them out. And start to do the direct opposite.

[Bodnaruk] Is this possible?

[Gaydar] Scarcely. The Communists are cynical, and they have a heap of pledges to their supporters. So they will almost inevitably go down the road that in modern economic theory is called the populist economy. Along this road there is a wonderful stretch — it lasts between eight months and a year — when all of a sudden everything works out. There is a year when you can point the finger at your stupid predecessors and say: Look, production is growing in our country, wages are rising, and inflation is falling.... This happened for Allende in 1971, for Garcia (Peru) in the first year of his presidency, for the Argentinians.... It is a year when absolutely everything is squandered. But then an extremely grave economic crisis erupts, striking painful blows, and those same voters are the first to consider where they can string up those whom they themselves brought to power. A new anticommunist wave — and it will be shorter and harsher than in August 1991 — will sweep them away.

[Bodnaruk] Anger can be countered with force, and communists, as is well known, have never been overly scrupulous about means.

[Gaydar] Nor will they be today. But remember Ceausescu. He was prepared to shoot and crush however many it took. But this was no help.

[Bodnaruk] Do you think that this sort of course of events is preordained? Are there ways of stopping them?

[Gaydar] To be honest, there are no reliable ways. I repeat: It's like a tide. It will either sweep over us or not. It is coming. The question is: What kind of breakwater are we going to build? If everyone in the fragmented democratic movements is guided by personal ambitions, then it certainly will sweep over us. But if the awareness dawns that the threat of a great calamity is real not only for you yourself but also for the whole world.... You know, if our country were not bristling with nuclear weapons, from the historical viewpoint it would probably be actually interesting to see how everything turns out. But in our situation it is all hellishly dangerous — will those who are today straining for power be intelligent enough not to drag us into some adventure?

[Bodnaruk] What could their arrival mean for you personally?

[Gaydar] Well... (laughs) They have all already said, I have no illusions on this score.

[Bodnaruk] Yegor Timurovich, are you going to remain in politics or are you quitting?

[Gaydar] I am remaining. To quit in the present situation would be to help them.

[Bodnaruk] What is your place in politics now you have failed to get into parliament?

[Gaydar] It is the place of leader of a consistent liberal, antifascist, anticommunist, and antitotalitarian party, which is the kind of party that is supremely necessary in these conditions.

[Bodnaruk] What is the situation in the party [Russia's Democratic Choice] today? Despondency, disarray?

[Gaydar] Defeat is defeat, and not everyone can bear it. But there is no disarray and there will be none.

[Bodnaruk] It is a strange situation — the party is represented in parliament but its leader is not. Why did you not take the precaution, as practically everyone did, of running for a single-seat district? You would have been guaranteed election in Moscow.

[Gaydar] It has always seemed to me revoltingly cynical to steal democratic votes in order to satisfy your own ambitions. This cost us the several percent of votes from the democratic electorate that went to blocs that clearly had no chance of getting in. It is immoral to participate in this game.

[Bodnaruk] But could the situation be rectified in the event of a by-election in a single-seat district?

[Gaydar] I am not going to do this. We are represented in parliament by a group of honest people who are well known in the country and will consistently pursue a liberal policy.

[Bodnaruk] There are very few democrats in parliament, and it looks as though it may have been a Pyrrhic victory for those who did win.

[Gaydar] It is indeed a Pyrrhic victory. I would advise my colleagues today to reread G. Yavlinskiy's article

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entitled "The Split in the Democrats Is No Tragedy," which was published in IZVESTIYA in July. Would Grigoriy Alekseyevich [Yavlinskiy] be prepared to subscribe to his own words again today? The way was paved back then for the split in the democrats.

[Bodnaruk] Since the elections Yavlinskiy has again begun to speak of the need to unite. It this realistic?

[Gaydar] It is both realistic and necessary. Our descendants will not forgive us if Messrs. Zyuganov and Zhirinovskiy get through to the second round in the presidential elections because democratic forces are fragmented. I think that representatives of the two non-extremist blocs — [Russia Is] "Our Home" and "Yabloko" — should hold consultations and try to agree on forms of cooperation.

[Bodnaruk] Is this possible when Yavlinskiy consistently opposes the government and shows no readiness for compromise?

[Gaydar] It is difficult, but if our colleagues are capable of learning from their own mistakes, they will overcome their qualms.

[Bodnaruk] Moscow and St. Petersburg voted for you, and Russia pretty much voted against. You are still blamed for every ill and, no matter how much you may say that it is a long time since Gaydar was in the government and anyhow he was a much lesser figure than Chernomyrdin in it and had much lesser powers, it does not work. Gaydar is to blame. How long is the burden of blame for things which you did not do going to hang over you?

[Gaydar] That is a difficult and for me agonizingly painful question. We lived in a closed society deprived of objective information. People simply did not know what was happening and why one thing was being done and not another — is it any wonder that as a result they arrive at false conclusions? After all, what was the situation? There was a regime that for many years had been able to exist only on handouts. People lend to you so long as you can service the loan — pay the interest, repay the loan, take out another, repay it, borrow some more.... But this cannot go on indefinitely. There comes a moment when you cannot pay the interest and repay the loan.... That's it, the tap is turned off. And the economy goes into free fall — like an aircraft that has simply run out of fuel. In this situation the crew sneaks silently past the passengers and bales out on golden parachutes, and the passengers are told that if anybody wants to, they can try to land the airliner themselves. We tried — there was simply no way out. And we brought it down. Without famine, but with grave losses — the economy was painfully adapting to a life without handouts. So I understand those who curse me — people have taken a beating, they are hurting.

[Bodnaruk] Fine, but what about after the landing? Could their lot have been alleviated?

[Gaydar] Of course it could. When we had overcome the extreme situation it became clear that in the future we needed to pursue the policy of reform with even more consistency and determination. And that always means an offensive against interest groups. At that moment we were firmly and resolutely removed from the government. Chernomyrdin came along — with the support of the communist majority, incidentally. But in order to understand his position, let us imagine that you, a journalist have been installed as chief of an oil rig. You're a good journalist and no fool, but one expert advises one thing, another another, and you know that if you push the wrong button there will be an explosion. The Chernomyrdin government did an incredible number of stupid things, then it began to correct these mistakes and managed to set some things right, and signs of recovery have indeed appeared in 1995, but it is too late, too late....

[Bodnaruk] So should the reasons for the present protest be sought in the past irresolution?

[Gaydar] There would have been a backlash anyhow — even if everything had been done perfectly. The question is to what extent it can be abated.

[Bodnaruk] You are basing your diagnosis of the state of society on the results of the voting. But how far can they be trusted?

[Gaydar] I think they can be trusted. Even if there was some monkey business in some places, on the whole the picture accurately reflects the mood in society.

[Bodnaruk] What is your view of the intention of some deputies to turn to the Constitutional Court on the basis that the interests of essentially only half the people who voted are represented in parliament, so we should either lower the 5-percent barrier or cancel the election results?

[Gaydar] I am opposed to this. We accepted the rules of the game. They are far from perfect, and they must without fail be changed in the future. It is too late now.

[Bodnaruk] Tell me, Yegor Timurovich, what influence did the press, the fourth estate, have on the outcome of the elections?

[Gaydar] A huge influence — without the slightest exaggeration. But I cannot determine at a glance whom it most helped and whom it most harmed — in general there is immense scope for analysis here. But one thing is obvious — the fourth estate is as heterogeneous as

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society itself. It seems to be okay but...it is weird. In theory most journalists ought to be at the liberal end of the spectrum — it would be strange if they liked to be muzzled by censorship.

[Bodnaruk] But, whether consciously or unconsciously, they often work for those who are prepared to muzzle them. Why?

[Gaydar] Let me cite an amusing illustration. The federal authorities, the Moscow authorities — and the press. Compare the number of critical articles about the former and about the latter. The federal authorities come in for a constant battering, with justification and without — because this is safe, they are not going to throw you in jail and they will not even be able to turn off the drainage system. But you have to tread much more carefully with the Moscow authorities — as journalists prove quite brilliantly. It is annoying when a journalist makes a great show of boldness when he is safe from any threat — and cannot say a word in a situation where there is a need not even for boldness but for elementary human and professional courage.

[Bodnaruk] I could say the same of your deputy colleagues: They fearlessly attack the president, but when, say, the special services venture to commit arbitrary acts or interfere in spheres outside their purview, there is somehow not a peep from the voice of the people.

[Gaydar] For various reasons. The vote on the question of no-confidence in the power ministers after Budennovsk was extremely interesting. The most revealing one was the vote on the FSB [Federal Security Service] chief. I personally have nothing against Stepashin, especially as he is not the problem, it is the fact that the service has not been reformed. Nevertheless, if you look at the transcript and see the official delight with which a whole series of opposition deputies rushed to the defense of Mr. Stepashin, a great deal becomes clear. As for the press, many of my colleagues have never overcome the inner temptation to remain in opposition — that is familiar and safe, and intellectually speaking imposes no obligations. So I feel all the greater respect for those who had the courage to say at critical moments: I am here alongside.

[Bodnaruk] The liberal press greatly resembles the liberal parties. In many people's opinion, scrupulousness in a tough struggle is an unnecessary thing. Here is one illustration. Two days before the elections the Agrarian Party press service in the State Duma sent out to the mass media an angry rebuttal headlined "IZVESTIYA's Blatant Lie." This claimed that Agrarian leader Lapshin has not received an apartment in Moscow, and asserted that IZVESTIYA published this news with the sole aim of discrediting him. It took us a day to recheck things for ourselves. He did receive an apartment. The news should be printed. But the issue was coming out the day before the elections, and the law prohibits campaigning on that day. We spent a long time arguing about whether accurate information constitutes campaigning, but we did not print the report. On Saturday morning we opened SOVETSKAYA ROSSIYA and discovered that the entire paper, from page one to page eight, was nothing but active, aggressive campaigning. So I ask: How is it possible to change this society when someone follows the accepted rules of the game and someone else flouts them, but nobody takes them to task for this?

[Gaydar] Oleg Basilashvili once recalled his work in the Russian parliament. The situation was that the democrats and the Communists could block the passage of each other's candidates. They reached agreement: You vote for our candidate and we will vote for yours. They shook hands. The Communist candidate was put to the vote — he got in. The democrat was put to the vote — the Communists did not vote, and he failed to get in. The Communists were happy and content — they had really made a fool out of the others. The mentality and ways of an overgrown petty hooligan.

[Bodnaruk] The Communist press is openly and aggressively propagandist, and is quite untroubled when it is reproached over this. But the most important point is that it achieves the result it is seeking, whereas the liberal press hamstrings itself with masses of unwritten restrictions. Are we correct to follow generally recognized standards?

[Gaydar] Probably not. They produce a flood of consistent propaganda based on lies. This is not blind faith or delusion — it is deliberate distortion of the facts. Where in the Communist press will you find information about how Communist deputies voted on their own pensions — very different from voters' ones? Have you read in any newspaper that the first thing the Communists voted for when they got into parliament was that they should have cars, dachas, and salaries like ministers? You will never find that information in their newspapers. A propaganda machine — well oiled over the decades, incidentally — is still operating in Russia.

[Bodnaruk] Especially in the regions...

[Gaydar] While we try to counter it with a Western-type free press adapted to the conditions of a stable society. It is fine, I like its independence, I like the way it lambastes democratic leaders when they do stupid things or steal, takes what they say at face value and catches them out. Only we should remember that there is another component too — countering the systematic lie machine.

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[Bodnaruk] Nevertheless, Yegor Timurovich, you will agree that nowadays honesty is not in favor.

[Gaydar] It is not valued nowadays, but it will be tomorrow. A need will be found for everything genuine sooner or later.

[Bodnaruk] But in the meantime...

[Gaydar] In the meantime what happens is this. I tell an audience: You are going to vote for them, don't you realize that they are making promises but they won't deliver. And people tell me: At least they are making promises! "Oh, it is easy to fool me, I am happy to fool myself." In the meantime the situation is this. Over 2.5 million people have now voted for us. I don't want to offend anyone, but in my view these are the elite of society, the most intelligent and decent people. They have a nose for deception. If we had begun to lie or to be cunning, I don't know whether we would have received those votes or not. We would certainly have lost respect, if not votes.

[Bodnaruk] Do you truly believe that politicians with those qualities will ever be wanted in Russia?

[Gaydar] Sooner or later they will. Life in Russia does not end in 1996....

NDR Election Showing Seen as Success

MM2712151395 Moscow TRUD in Russian 26 Dec 95 p 4

[Article by Leon Onikov: "Election-95: 'Russia Is Our Home': Victory or Defeat?"]

[FBIS Translated Text] "Russia Is Our Home" is in the top three. This begs the question — is this a victory or not? This question cannot be answered without explaining something else: How did each member of the top three end up among the winners and why?

It is no coincidence that the Communists took first place. The motives of the people who voted for them, to use the everyday notions of the popular masses, are as follows: Life has deteriorated dramatically and to a dangerous degree compared with what it was like under the Communists. Never before have so many Russian citizens found themselves on the critical brink when survival is in question. Nor can the country remember such high unemployment since the twenties. This is the first time in peacetime that Russians have encountered the demographic catastrophe where the death rate exceeds the birth rate and life expectancy is falling. Wholesale crime, the avarice and impudence of the nouveaux riches, the growing property stratification of the people, and much else that you could not even imagine under the Communists wittingly, and beyond any shadow of a doubt predetermined their success and worked in their favor. Only certain sociologists, political analysts, and other scientific colleagues of theirs philosophized at length about the many possible outcomes of the election.

The votes for the Liberal-Democratic Party of Russia are no accident either. Examples this century illustrate that when society is in a state of profound crisis like ours, when it does not know how to overcome this crisis, this inevitably gives rise to extremist leaders, the most prominent of whom in the 20th century have been Stalin and Hitler. The former embarked on the path of totalitarian extremism since socialism cannot be built in one country and he did not know what to do next with the great revolution. The latter used totalitarian extremism to break the chains of Versailles that had stifled the Germans and embarked on the ruinous path of asserting world domination. Zhirinovskiy is of course a pitiful figure compared with these two. But the social and psychological situation that has taken shape in the country is giving rise to both similar leaders and people who admire and support them.

"Russia Is Our Home" did not have such massive support as the Communist Party of the Russian Federation and the Liberal-Democratic Party of Russia. On the contrary everything went wrong for it. The movement that emerged just six months before the elections effectively had no experience of political actions, let alone maneuvering. Moreover — and this is perhaps far worse — it was immediately beset by a massive barrage of humiliating and even insulting statements and labels, to which voters are extremely sensitive.

All manner of accusations were leveled at "Russia Is Our Home" and its leader although in the ratings it always held first or second place according to the experts. There were even accusations, can you imagine, that Clinton backed "Russia Is Our Home" and that the creation of "Russia Is Our Home" represents a blow...to democracy, that its organization constitutes "ideological subversion," and so on.

What is more, an age-old Russian political theme came into operation — namely that those in power, particularly the leaders, are to blame for all the misfortunes. No account is taken of the factors behind these misfortunes. Since things are bad, that means the top man is to blame, and that is all there is to it!

In the light of the above how are we to answer the question in the headline? Let us respond as follows: Despite the extremely unfavorable conditions mentioned above "Russia Is Our Home" has undoubtedly achieved obvious success. It is all the more obvious in that the movement was not afraid in the current situation to

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surrender itself to trial by the people and open itself up to a storm of criticism — and this bold move received the proper assessment. None of the election favorites in that situation would have dared to take this truly democratic step.

In the light of the painful, contradictory, and sometimes distorted process whereby our democracy has taken shape some Russians are gradually losing their political inexperience and even naivete. They are gradually coming to grasp the truth that it is necessary to support an authority if it strives to do good despite extreme difficulties and its own blunders, of which it incidentally makes no secret.

It was a sense of civic duty that provided the rationale for the voicing of an idea and piece of advice which I consider to be of fundamental importance: If the "Russia Is Our Home" movement really wants to play a glorious role in Russia's future, it should set about resolving the problem of DEMOCRATIZING THE APPARATUS OF THE EXECUTIVE ORGANS OF POWER.

For centuries power in Russia has always been authoritarian rather than democratic. It has always been held by executive organs. Until the revolution this was the czar's own chancellery, the Cabinet of Ministers, and the Third Section.... After the revolution from 1928 until the time of Gorbachev it was the Politburo, the Secretariat, and their apparatus. For all Gorbachev's loquacity and Yeltsin's ponderous appeals for democracy neither realized that the democratization of the country and society is impossible without the democratization of the apparatus of executive organs of power, which to this day still hold all the levers of real power. Failure to understand this key element is the main reason for the political bankruptcy of the former and the chronic failures of the latter. Without that, all the appeals, endeavors, and attempts to establish democracy are no more than self-delusion.

The only political force in the country capable of starting to perform this radical task and thus guaranteeing the implementation of the promises that were made to voters is the "Russia Is Our Home" movement. Why the only one? Because it is most involved, plugged into the apparatus of executive organs at all levels and in all regions of Russia, since it itself is the "party of the apparatchiks." Forces outside the apparatus will never manage to democratize the apparatus. Only sound forces within the apparatus can do that. I have repeatedly said this in the press to no avail. Is it worth repeating myself?

Tuleyev Interviewed on Election Results

MM2712152595 Moscow SOVETSKAYA ROSSIYA in Russian 26 Dec 95 p 2

[Interview with Aman Tuleyev, member of the Communist Party of the Russian Federation, by Nadezhda Garifullina; date and place of interview not stated: "With Those Who Believed"]

[FBIS Translated Text] [Garifullina] Aman Gumirovich, first of all I want to congratulate you on your victory: In the Kuzbass your bloc brought an unprecedented percentage of votes for the CPRF [Communist Party of the Russian Federation] electoral association — 63 percent according to the first reports. How do you assess as a whole the CPRF's victory at the elections and what follows from it?

[Tuleyev] First, I would not start to rejoice too much over it or to shout out about victory and in general I would warn my fellow fighters with whom I passed through the entire election marathon against euphoria. What does our victory mean when the country is in such a grave plight, when people are in such a parlous and humiliating position? We can not speak of victory but of the first decisive step toward it. When the country has been brought to its knees no one can be a victor.

But the election results gratify me because people emerged from their state of indifference and went to the polls and made their choice, including for the communist party. I would regard that as man's victory over himself. After all, how often some of us would say: "But what can I do?" How many times I have argued with miners, urging them not to end their strike halfway but to fight if not for themselves then for their children. I asked them, implored them not to be indifferent to the fate of their relations and the entire country. And now I am pleased that people have vanquished their indifference and answered the question of what they can do. By their choice they have said firmly "Enough!" to the anti-people course of reforms pursued following formulas from the IMF and have correspondingly given their assessment of the government. Whereas throughout Russia as a whole the party of power received about 10 percent of the votes for the Kuzbass it received three times fewer - - just 3.2 percent. A normal civilized government respecting itself and the people's choice should have resigned immediately and not entered the Federation Council and approve the budget for 1996 as though nothing had happened.

[Garifullina] But both Yeltsin and Chernomyrdin have already stated several times on television that there will be no changes in the government.

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[Tuleyev] That is the staggering immorality of the present government and the entire power. The current Yeltsin constitution declares that the supreme power in the country is the people and the people are sovereign and so forth. And indeed the constitution itself, as you recall, begins with the very promising phrase: "We the multinational people of the Russian Federation...." It stresses that there is nothing above the people's expression of their will. And now the people have said yet again that they do not trust this course of reforms yet the president and premier are demonstrating in public their total disregard for their opinion and for democracy of which they consider themselves to be champions. In fact they are yet again showing the country their true face. In that case we must all draw conclusions yet again. Why? Because the elections to the State Duma should be understood as the first round of the presidential elections. Now the disposition of forces is clear.

[Garifullina] But surely the elections to the State Duma are valuable in themselves? After all, the CPRF's impressive victory creates a special situation in the lower chamber of the Federal Assembly....

[Tuleyev] Let us try to answer the question: Will the State Duma elections be able to change anything fundamentally? The State Duma will be able to change something in the situation in Russia only when we change the constitution, when the government is subordinate to the State Duma and when there is a new president. So the main thing — the presidential elections and the formation of a new government — are in the future. If Viktor Stepanovich Chernomyrdin remains chairman of the government nothing will come of it. The replacement of individual ministers is self- delusion which will bring no substantial changes. The complete replacement of the entire cabinet is needed. So I say: The first step has been taken, the first stage has been passed through.

In this connection I want to appeal to the deputies of the new State Duma. yes, unfortunately, the election results were not what we hoped for. We thought that the Agrarian Party members and "Power to the People" would be with us and would collect 7-8 percent and then the controlling package of votes would have belonged to the patriotic forces. The situation now is more complex because we must seek allies. But the most important thing is that positive steps are needed, particularly to form the government, and its chairman must unfailingly be replaced.

[Garifullina] What priority acts should the new State Duma adopt?

[Tuleyev] The first laws which we promised are to step up the struggle against crime, to correct the economic course, and to improve the population's living standard. Unless we do this we shall not justify people's expectations. We cannot produce red tape, we must feel responsibility and consider that time is passing rapidly. And recall that the holding of the presidential elections and the formation of a new government depend on the Duma's first steps and on its work.

[Garifullina] You are constantly talking about the presidential elections. Tell us, what lessons from the recent parliamentary elections should be derived for the future of the opposition?

[Tuleyev] We have had enough of the obsession with the cult of the leader [vozhdizm]. The personal "I" must be subdued and we must "grab our own song by the throat" for the sake of the people's interests. If the Communist Party, the Agrarian Party, and "Power to the People!" had actually gone together we would ultimately have obtained 40-45 percent. But when we went our separate ways you see what happened? We got just slightly over 20 percent. The main conclusion is that when it is a case of Russia's destiny we must put aside our own ambitions. If the leaders fail to understand that then the conclusions should be drawn by the members of the parties which these leaders head.

The second conclusion is that we must consider that during the elections there will be many obstacles, including quite a lot of mud which our opponents will try to sling but we must not lost heart, be discouraged, and weaken. We must fight to the end! The tactic which the CPRF has adopted — going from door to door, looking people in the eye, and having frank talks with them — proved effective and it must be continued. And the greater the coverage of the population the better.

[Garifullina] Aman Gumirovich, you conducted the entire election campaign like a real fighter and, I repeat, you brought many points to the CPRF association. So I must admit your statement at last Wednesday's press conference that you were putting aside our powers as a State Duma deputy and returning to your native Kuzbass came as a complete surprise. What lies behind such an extraordinary decision on your part? Are you not afraid of accusations that you have duped the voters? After all, they trusted you and gave you their votes....

[Tuleyev] I must say that there is nothing unexpected here for the voters. At every meeting I said that I am a nonparty person and joined the CPRF bloc deliberately because I can see no other force capable of halting the anti-people course. I consciously joined the association with a view to attracting as many votes there. God can see that my conscience is clear. I did everything I could for this. Even when I had influenza I traveled round Russia and I am grateful to voters for the frank talks and

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warm meetings. But everywhere I declared: "Comrades, I am taking part in the elections to attract as many votes as possible for the CPRF but I myself shall not enter the Duma." So there is no deception here.

Why did I decide to return to the region? Well, tell me, would it be ethical on my part to raise up the Kuzbass and attract so many people — this is the largest percentage of votes in Russia in support of the CPRF — and then to leave on the crest of that wave? But where shall I be of greater benefit — the State Duma, which is virtually without rights, or in the region where I am needed? After all the main elections — the presidential elections — are ahead and it is here that the fate of Russia and of every person will be decided.

And then would it be moral to drop the people who voted, the sociologists conclude, not so much for the party as for Tuleyev? So I made what was for me a difficult decision.

In the Kuzbass I have a very complex position. When I joined the three leaders of the CPRF association, how much dirt and how many lies descended on me! Gaydar, Belyayev, the chairman of the State Committee for the Administration of State Property, Vengerovskiy, Zhirinovskiy came along.... What did they not accuse me of! They disliked everything about me, my nationality most of all. They even accused me of... Islamicizing Siberia and other rubbish. And what did the mass media do? The "Puls" television program methodically and purposefully waged a campaign to discredit Tuleyev. Despite that they did not manage to mislead people again. Our people were cleverer and wiser and they made their choice. I endlessly treasure their trust and if now, at this hard time, I were to abandon my fellow countrymen and leave for the State Duma then I believe I would be transgressing moral precepts.

Of course from a purely human point of view I would probably have a more peaceful time in Moscow. What is the situation in our area like? The blockade of the legislative assembly continues, quorums are purposefully disrupted, the administration heads openly ignore their obligations as deputies and their duty and not at their own will but on instructions from above, from the center, particularly when I joined the three leaders. They did not even disdain petty tricks for instance for the second month running no wages have been paid not only to deputies but to the entire apparatus of the legislative assembly, my vehicle has been impounded, and there are lies and defamation in the press and check upon check.... So that it would be more convenient to leave for the Duma and to be safe for four years.

[Garifullina] But it could happen that something unexpected for you will happen at the elections to the legislative assembly. Of course, I do not believe it, but still....

[Tuleyev] No one is ensured against anything! Of course it could happen that I will not be in the State Duma and at home the elections could be thwarted, and I could fail with a resounding crash, as the people say, especially as the power structures are on the administration's side and there have been cases of my telephones being bugged, of surveillance, and so forth. I admit that a voice inside me is whispering: Why not go? But my conscience does not allow me to do that, it says something different: Even if you fail you must still remain. Even with the virtual lack of rights and anarchy in which I find myself. Yes, I am chairman of the legislative assembly but I have no rights just as I have no power. Power belongs to whoever has money, that is to the administration head.

I realize very well that my popularity rating could fall and the governor's could rise but nonetheless, aware of the personal danger to myself, I have made my decision. The die is cast, as they say.

[Garifullina] But I am thinking of your family. Before the past elections you were shot at twice, they tried to mow down your automobile with a truck, all this was confirmed by the prosecutor's office.... Your wife Elvira Fedorovna lives in constant fear for you. There were four calm years - relatively calm, but nonetheless calmer — ahead. In deciding to return to the Kuzbass did you consult your family? How did it take your step?

[Tuleyev] Of course my family is worried and feels for me. In principle you are needed only by your family. If, god forbid, something happens, you will be forgotten in a week and life will carry on. My family took all the turns of the struggle very hard, particularly when the "Moscow guests" arrived to sling mud The elections look easy from the outside. But no one considers our minor heart attacks, the sleepless nights, and the endless life-shortening stress....

I shall not hide the fact that I added to my family's concerns with my decision to remain in the region. Nonetheless I am sure that my wife and my two sons will understand and support me. The people closest to me understand and I am grateful to them for that.

[Garifullina] Aman Gumirovich, in many regions the election of governors was held at the same time as the parliamentary elections. You also fought for ensuring that the governor in the Kuzbass was elected by the people and not appointed by Yeltsin. Why did you not manage to do that?

[Tuleyev] He is kept specially because, however strange it may seem, the present Kuzbass governor, Mikhail

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Kislyuk, is indebted to me for his post. If I had not been there a normal government would long since have removed him. After all, we have frequently spoken of corruption, of embezzlements of budget funds, of the taxpayers' money, of machinations involving gold, silver, and aluminum. It would seem not to be to the regime's advantage to keep in the post of governor a man who by his actions is compromising the entire executive branch, including the president. After all you cannot think up a stronger blow against the president! But they are keeping Kislyuk because Tuleyev is there. But now that in the Kuzbass Chernomyrdin's "Russia Is Our Home" has received only 3.2 percent of the votes it would seem time to consider Kislyuk's role in this.

On 17 December there was a storm in Moscow with thunder and lightning. That is a good sign for patriots and a warning to the authorities — even nature is with us! But for the regime those 3.2 percent should be thunder and lightning. After all, this is in the Kuzbass, which is a bastion for the president, which brought Boris Nikolayevich to power. It is the region where Chernomyrdin dreamed of collecting 40 percent and stated this for all to hear. That is thunder and lightning not in Moscow but in the Kuzbass. So hold an election for the governor! No, they are afraid because they have calculated that if there are elections Tuleyev will come to power. One thing they cannot understand: I consider it immoral to work with this chairman of an anti-people government under this anti-people regime.

[Garifullina] When does the term of the legislative assembly expire?

[Tuleyev] In March next year but on instructions from the president its term can be extended through the end of 1996 and elections held in December. We wanted to convene the legislative assembly and for that a quorum of 24 deputies was needed. But you know that administration heads, on various pretexts, are banned from appearing at the session and they are disrupting it. Then we decided that the quorum should be 22 and now legal proceedings are under way on this subject. But what do I have to be proud of? Imagine that 22 deputies have assembled and said: We do not want to be appointed deputies. Our term expires in March, let us be re-elected in March. Being deputies on instructions from the president is simply shameful.

[Garifullina] You are also continuing as a senator. What kind of a "duel" was it that you had with Chernomyrdin recently?

[Tuleyev] The government chairman came to the upper chamber to approve the adoption of the budget for 1996. I asked him: "Viktor Stepanovich, after all, you were waging your election campaign and to be honest you believed you would get no more than 5 percent but your percentage was 'stretched.' For instance, in Kemerovo Oblast someone passed on from the oblast commission one more city commission seal. How many ballot papers were 'stamped?' We have handed all this to the prosecutor's office. And there are probably many such forgeries. So I believe that even with 10 percent it is immoral to remain as government chairman. And an immoral power is the most terrible thing in the world."

I asked him outright: "You promised the veterans to pay all the benefits allocated to them by law, you promised to carry out the law on the reform of state pensions, you made promises to students, workers in budget-funded enterprises, rural inhabitants, and coal miners. Was this deliberate deception? Because there is nothing of what you promised in the 1996 budget. And there is nothing about investments, yet you personally gave a promise to defrauded investors." "So," I said, "you have deliberately misled everyone in order to get votes." It was here that the "duel" began.

Why did I react so keenly? Because a new and impressive deception is being prepared. They made promises to everyone, they promised to raise pensions, to wage wages for municipal services workers, transport workers, and so forth, but we shall not have time to pay anything more before new prices in January eat up this entire supplement. And they did not raise prices before January in order to avoid angering people — they were concerned for votes. That is supreme immorality. The people must take good note of all this and draw their conclusion at the presidential elections.

[Garifullina] And how do you intend to vote, Aman Gumirovich? I remember a year ago you said: "If Yeltsin runs then I shall die but I shall take part in the presidential elections." Is your position still the same?

[Tuleyev] If we survive to February we shall see what the president decides. Unless the course changes in the country I fear that in a year or two we shall reach a point where it will be hard to restore anything. So I believe that I simply must take part. How these elections turn out is another matter.

[Garifullina] But experience and the lessons of previous elections to the State Duma attest that if the opposition again goes its separate ways and fails to put forward a single candidate it could, by dissipating its force, lose.

[Tuleyev] The art of politicians lies in their courage and intelligence. At the decisive stage our leaders should have enough courage and wisdom as statesmen to unite and work together for a single candidate.

[Garifullina] I would not like to end our conversation on a sad note. The year is ending — a complex, dramatic,

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hard year. What awaits us in the future? What would you wish our compatriots?

[Tuleyev] First, I want to assure the State Duma deputies that, yes, you have few rights but you must remember your responsibility to those who believed in you and voted for you. At worst it is better to leave yourselves but do not deceive people's expectations. And first of all we must stop the war. The blood, human tragedies, catastrophes, and accidents... It is terrible that we are becoming accustomed to dispatches reporting losses. It is the moral duty of the deputies and all honest people to put an end to a protracted war of absolutely no use to the people.

I believe in better because the people have cast aside their fetters and rejected indifference. The strongman has woken up! That is a good thing. Now let us all unite. When the weak unite they become strong, when the strong unite, they become invincible. I bow low to all those who have put their trust in our association. I wish them all peace and happiness!

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ITAR-TASS Carries Press Review for 28 Dec

LD2812071495 Moscow ITAR-TASS in English 0655 GMT 28 Dec 95

["Press Review" — ITAR-TASS headline]

[FBIS Transcribed Text] MOSCOW December 28 (Itar-Tass) — IZVESTIYA on an organisational meeting of Our Home is Russia (OHR) members.

In an article dealing with an organisational meeting, which the OHR members, elected to the new State Duma, held at the Lesnye Dali holiday hotel near Moscow on December 27, the newspaper points out that both the Movement and, possibly, its leader Viktor Chernomyrdin intend to strive for presidency in 1996.

The newspaper points out that Boris Yeltsin is not in a hurry to set up an election headquarters of his own while the OHR does not intend to make a pause in its work.

Izvestiya, referring to sources in top echelons of power, assumes that by next spring when the ratings of Boris Yeltsin and Viktor Chernomyrdin are to become more precise, it will become clear who of them will run for the presidency. The OHR will be able to become a bulwark equally for the present Premier and the President.

ROSSIYSKIYE VESTI on the Treaty on Social Accord.

The newspaper points out in its leading article that if the Communists begin to wreck social accord, civil peace will become a fiction. One cannot fail to admit that over 18 months of validity, the Treaty on Social Accord has become the instrument to tackle matters concerning the coordination of the interests of all the forces operating in the political arena.

At the same time, a considerable proportion of society, upon encountering problems, still appeal to those, who most loudly promise to take the country out of the crisis while lacking either a mechanism or a programme for that.

In this connection the newspaper recalls that the Communist Party of the Russian Federation (CPRF) did not sign the Treaty. To revitalise the Treaty without the participation of the CPRF, which forms the largest faction in the new State Duma, would mean turning the public initiative into a fiction, members of the Joint Conference Commission for the realisation of the Treaty on Social Accord have told the newspaper.

IZVESTIYA on Mikhail Gorbachev's bid for presidency.

The newspaper carries an interview with a potential presidential candidate, Mikhail Gorbachev, former President of the Soviet Union, who wants to make a comeback to big politics and is close to deciding to run for Russia's presidency.

Gorbachev is not worried by the fact that he will be opposed at the forthcoming elections by a pro-Communist proportion of the population. He now considers himself free from any ideological attachments. Gorbachev himself, during the election campaign, if he begins it, wants to rely on the Centre Left voters (of whom, he believes, there are not less 60 million in Russia).

PRAVDA on the publication of Mikhail Gorbachev's book.

As if expressing the opinion of the self-same pro-Communist and anti-Gorbachevite proportion of the population, the newspaper runs an article, headlined "Betrayal of the century", in view of the publication of Gorbachev's book about his activities as the Communist Party chief and the Soviet President.

IZVESTIYA comments on the Presidential decree about the establishment of a Foreign Policy Council.

The newspaper gives the opinions of anonymous experts who believe that the setting up of such a council may indicate that Boris Yeltsin intends to demonstrate his growing political activity in the pre-election period. In addition, the Council is called upon to throw more durable bridges between the Foreign Ministry and the State Duma.

ROSSIYSKIYE VESTI on the centenary of cinematography.

Thew newspaper carries remarks by Klim Lavrentyev, First Deputy Chairman of the Filmmakers Union, who points out in particular that the principal task of the Filmmakers Union is to work for the return of films, made at home about the people and for the people, to the Russian cinema screen.

IZVESTIYA on Moscow's new Lyublino subway line.

The newspaper points out that building facilities so that their start-up would concide with some "memorable date", as was the case in Soviet times, has again resulted in rush job, after which, following an official ceremony to accept the new underground railway line, a host of unfinished items of work are yet to be finalised at a high tempo.

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Indian, U.S. Satellites Launched 28 Dec

LD2812072995 Moscow ITAR-TASS World Service in Russian 0711 GMT 28 Dec 95

[By ITAR-TASS correspondents Viktor Gritsenko, Veronika Romanenkova]

[FBIS Translated Excerpt] Moscow, 28 Dec — The last two satellites to be launched this year were launched today by Russia's Armed Space Forces. They were India's IES-1C and America's Skipper. A four-stage medium-class Molniya-M booster rocket put them into orbit. It was launched from Baykonur at 0945 Moscow time [0645 GMT]. [passage omitted]

U.S. Business Expects Duma Action on Investment

MM2812091895 Moscow ROSSIYSKAYA GAZETA in Russian 26 Dec 95 p 15

[Unattributed report: "Americans Are Waiting" — from the "Departmental Supplement" section]

[FBIS Translated Text] Members of the U.S. Chamber of Commerce in Russia expect effective decisions from the new Russian Federation State Duma when it comes to attracting foreign capital investment, this organization's executive director P. Sherou [name as transliterated] said.

U.S. corporations have already invested considerable sums of money in the Russian economy and are counting on mutual benefit from these investments, he said.

Regardless of who takes their seat in the new State Duma, it will have to tackle tax policy issues.

According to him, the second issue in order of significance after taxes is that of the protection of intellectual property in Russia. Many U.S. firms have been faced with unauthorized use of their developments on the Russian market and they expect the new State Duma to restore order in this matter.

Closeness of Iranian, Russian Views on Caspian Sea

NC2812092195 Moscow Voice of Russia World Service in Persian 1600 GMT 27 Dec 95

[Commentary by Sergey Viktorov]

[FBIS Translated Text] Comments by Iranian Foreign Minister 'Ali Akbar Velayati on the legal status of the Caspian Sea before leaving the Turkmen capital of Ashgabat have again focused the attention of (?littoral) countries on this extremely complicated issue. The Iranian foreign minister spoke about the issue in his interviews with two Iranian newspapers, IRAN and IRAN NEWS. 'Ali Akbar Velayati expressed regret that no spectacular progress has been made in determining the legal status of the Caspian Sea and he thus called on the Caspian Sea littoral countries to adopt a serious approach to the issue, otherwise [words indistinct] will harm the long-term interests of these countries.

In Velayati's opinion, the [word indistinct] on determining the Caspian Sea's legal status regarding the exploitation of the sea's resources may be [word indistinct] and, as a result, [word indistinct] the future of the littoral countries.

Very recently [words indistinct] raised the issue of the Caspian Sea's legal status. [Name indistinct], a high-ranking official in the Russian Foreign Ministry, said that Russia opposes unilateral steps in the Caspian Sea and proposes to all the Caspian Sea littoral countries to jointly solve the problem of this sea's legal status, which is a vital issue.

The stances of Moscow and Tehran on this issue are extremely close. Apparently, the same (?opinion) is expressed in Iran. In his interviews with IRAN and IRAN NEWS, Velayati said that the views of Iran and Russia on some issues concerning the Caspian Sea are one and the same. The Iranian foreign minister stated that Iran and Russia believe the Caspian Sea belongs solely to its littoral countries and no [word indistinct] has the right to interfere in regional affairs. Iran and Russia [word indistinct] that to determine the legal status of the Caspian Sea, the agreement of all the five littoral countries [words indistinct].

Russian Troops Praised for Bosnia Operation

LD2712124095 Moscow ITAR-TASS in English 1159 GMT 27 Dec 95

[By Mikhail Shevtsov]

[FBIS Transcribed Text] MOSCOW December 27 (Itar-Tass) — The Command of the Russian Airborne Troops has praised the work in Bosnia of a reconnaissance group, which prepared the deployment of a Russian brigade, integrated in the International Force for the fulfilment of the Bosnia and Herzegovina peace agreement. The group was headed by Second Commander of the Airborne Troops for Peacekeeping Operations Major General Nikolay Staskov. His meeting with Colonel General Ratko Mladic, Commander of the Bosnian Serb Armed Forces, which became quite a sensation at the headquarters of the International Force and NATO, was also approved and found expedient, a spokesman for the press centre of the Airborne Troops Commander told Tass today.

"The peacekeeping operation in the Balkan Peninsula cannot be a success without close contacts and coop-

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eration with both conflicting parties, especially on the initial stage," the press centre spokesman said in this connection. In order to do reconnaissance on the territory, held by Bosnian Serbs, "it was necessary to have a meeting with the people, in whose hands real power is." It permitted to get the consent to the reconnaissance operation, as well as assistance, he continued.

According to the press centre spokesman, Staskov's meeting with Ratko Mladic lasted for about two hours and was "difficult."

Last Nuclear Warheads To Be Moved From Ukraine

LD2712161495 Moscow ITAR-TASS in English 1540 GMT 27 Dec 95

[By Mikhail Melnik]

[FBIS Transcribed Text] KIEV, December 27 (Itar-Tass) — Russia will move from Ukraine the last of nuclear warheads under this year's schedule, a Ukrainian Defence Ministry spokesman told Itar-Tass today.

Russia bought from Ukraine 32 strategic SS-19 missiles to put them on duty on its own soil.

According to the Ukrainian Defence Ministry, the missile deal, which was struck by the Ukrainian and Russian defence ministers during their meeting in Sochi, does not contradict international agreements as Moscow may maintain 105 missile complexes after the ratification of the strategic arms reduction treaty (Start-2).

Russia's acquisition of the nuclear warheads in exchange for fuel for Ukrainian nuclear power plants was declared by a joint statement of the presidents of Russia, the U.S. and Ukraine in 1994.

According to the Ukrainian Defence Ministry, in 1994 Ukraine had on its soil some 1,300 warheads for continental ballistic missiles, 600 of them for cruise missiles, and 176 launching installations, including 130 for SS-19 and 46 for SS-24 missiles. Ukraine's has scrapped all its SS-24 and eighty SS-19 missiles by late October 1995.

The press service of the Ukrainian Defence Ministry said Russia's re-importing of the nuclear weapons and the dismantling of silos in Ukraine are being monitored by U.S. military experts.

The U.S. has committed itself to fund Ukraine's programme of recycling highly enriched uranium contained in the warheads for its subsequent use as nuclear fuel.

In addition, Ukraine is to get from the U.S. 350 million dollars for the nuclear disarmament programme.

Kozyrev Stresses Discussing Georgian Settlement

LD2712175895 Moscow INTERFAX in English 1659 GMT 27 Dec 95

[From the "Diplomatic Panorama" feature]

[FBIS Transcribed Text] MOSCOW, Dec 27 (Interfax) - Russian Foreign Minister Andrey Kozyrev said Wednesday the presidential Council for Foreign Policy should discuss Georgian-Abkhazian settlement as one of its first steps. The body had been created by a presidential decree Tuesday.

Kozyrev told journalists he had discussed the issue with President Boris Yeltsin earlier Wednesday afternoon.

Kozyrev hoped that "the stage of implementation of decisions already made will begin after another round of Georgia-Abkhazian talks."

"The question is not only the talks or talking someone into something, but the use of state power which must be behind the negotiators," he added.

"If the whole power of a state or a group of states is not behind the diplomats, this will be an empty case," he underlined.

According to Kozyrev, the problem is not that Russia "does not have a policy in the Georgian-Abkhazian conflict, but that it is a kind of stuck, because there is inconsistency in actions."

"A diplomat may hold talks very well, brilliantly or very badly, but if a coordinated military and economic power and special services are not behind, they will remain only good talks, because it is the power - military, economic, etc. - it is the state power that has impact on people engaged in such conflicts rather than the artistry of diplomatic argumentation," he emphasized.

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Political Issues

Yeltsin Creates Foreign Policy Council

MM2712172495 Moscow IZVESTIYA in Russian 28 Dec 95 pp 1, 3

[Report by Yevgeniy Bay and Gennadiy Charodeyev: "President Has Decided To Strengthen Foreign Policy with One More Council"]

[FBIS Translated Text] The edicts signed by Yeltsin on the creation of the Foreign Policy Council and the institution of the Foreign Policy Council secretariat with the rights of a presidential administration have failed to generate an animated response from persons involved because none of the invited participants yet has any firm idea of the future council's aims and structure.

It has been reported that the council will include leaders of the Foreign Ministry, Defense Ministry, Ministry for Foreign Economic Relations, Ministry of Finances, Federal Security Service, Foreign Intelligence Service, and Federal Border Service and also Dmitriy Ryurkov, the president's aide for foreign policy. The council will engage in analyzing and forecasting the international situation, studying public opinion, and coordinating the federal services' collaboration. The coordination organ will work under the leadership of the head of state.

Mr. Ryurkov's apparatus refused to comment on the subject, stating that "there is actually nothing to comment on." The foreign intelligence, Federal Security Service, and Defense Ministry press services told us that they "had heard of the edicts" but so far have no idea of who from the ministries' leadership will engage in this specifically and how. Sergey Nosovets, leader of the presidential staff's information administration, told IZVESTIYA that he had not seen the edict. The Foreign Ministry also told us that it does not have the full text of the presidential document but explained that "the minister knows everything."

A press conference by Foreign Minister Andrey Kozyrev was scheduled for Wednesday at which it was believed he intended to sum up the results of the foreign policy year and express himself regarding the birth of the new council. Kozyrev canceled the press conference because he was going to a meeting with the president which everyone expected to decide the question of whether Kozyrev would be a minister or a deputy. But this question was not resolved either. The president's press secretary, Sergey Medvedev, announced that Yeltsin and Kozyrev "will return later" to a discussion of this question.

Will the new council be decorative or will it be an active organ? In the opinion of Sergey Karaganov, deputy director of the academy Europe Institute, the creation of the new structure is more than topical. This council, he told us, is essential to any foreign minister, even the most powerful, to coordinate foreign policy actions and "notify bureaucrats of them."

So far, Karaganov believes, this coordination has been effected by the Foreign Ministry leadership exceptionally badly. To coordinate foreign policy activity an interdepartmental commission has been created within the framework of the Security Council but nothing is known of its work.

It is known that formally there exist a number of consultative committees, in particular the Presidential Council, under the president but in reality, we were told by council member Yuriy Karyakin, it has not operated over the past year.

The presidential council met regularly only in 1993 when the political situation — the constant confrontation with the Supreme Soviet and the attempt which had been prepared to impeach the president — required. The council's activity was in fact broken off in December 1994 soon after the start of the fighting in Chechnya. At the time eight of the 28 members of the council sent the president a letter very sharply opposing the Russian troops' invasion of Chechnya.

Since then the organ has met in very truncated form. The last time there was a conference was in August 1995 after the G-7 leaders' meeting in Halifax.

It is true, as Presidential Council Member Otto Latsis notes, that in the fall of 1993 the council gave birth to another child — the expert analysis council whose chairman is not the president himself but the head of his staff, Sergey Filatov.

In contrast to the Security Council, the creation of these consultative organs is not enshrined in the Constitution and they operate only on instructions from the president.

In the opinion of experts, the creation of the new For ign Policy Council could be evidence that Yeltsin int nds to demonstrate his growing political activity. Here the direction of this activity is changing. At present it is more convenient for the president to move it into the channel of foreign policy. perhaps in the very near future the apparatus will be instructed to ensure the necessary publicity for the council which is being newly created and its sessions will beheld with the same pomp as the first meetings of the presidential council. It is also entirely likely that the basic propaganda line will be the subject of resistance to NATO's expansion to the East and the participation of Russian peacekeepers in Bosnia.

In the opinion of experts, the council's creation should hardly be seen as a counteraction to the attempts

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of the Liberal Democratic Party of Russia and the Communist Party of the Russian Federation to lay hands on the Duma Foreign Policy Committee, whose foreign policy potential is extremely limited. Moreover, Sergey Karaganov believes that the creation of the council will only help to build bridges between the Foreign Ministry and the Duma. So far the difference in the foreign policy opinions of the two branches of power has crated in the world an image of Russia as "a pathologically immature country."

Kozyrev Comments on 27 Dec Meeting With Yeltsin

LD2712142395 Moscow ITAR-TASS World Service in Russian 1324 GMT 27 Dec 95

[By ITAR-TASS diplomatic correspondent Aleksandr Valiyev]

[FBIS Translated Text] Moscow, 27 Dec — Foreign Minister Andrey Kozyrev told journalists that during his meeting with Boris Yeltsin today he presented a report "on a number of international issues, in particular about Kandahar, on a settlement in Abkhazia, on preparations for the forum of heads of state of the CIS, and for the conference of the 'Eight' on nuclear safety."

"The president gave the appropriate instructions, and drew attention to a number of unused reserves, so in the near future you will see the results of this conversation," Andrey Kozyrev said.

He said Boris Yeltsin explained that the Foreign Policy Council attached to the president of the Russian Federation, announced yesterday, was set up because of "the need to improve the work of departments." The minister pointed out that "it is not a question of some kind of removal or whittling-down of the prerogatives" of the Foreign Ministry. The Ministry will play the same role of "coordinating department" as before.

"There is also talk about something else, and above all, about the president's personal participation," he said. The convocation of sittings with the participation of first persons at least once every two months, which is envisaged in the provision on the council, "is creating favorable conditions for inspiring departments to act promptly and in tune with each other."

Kozyrev thinks today's problems "are not caused by policies but by the way they are implemented, which shows that there is a discrepancy in actions," he said. Kozyrev believes the council's task is to organize work in two areas — the adoption and implementation of decisions.

Asked who the council's head is likely to be, Kozyrev said the Foreign Ministry "will put forward its own candidate."

Asked whether he should remain a minister or become a deputy, Kozyrev said it was decided at his meeting with Yeltsin "to discuss this later, when the president formally resumes his duties."

Kozyrev said: "I am not a doctor but it seems to me that the president is in very good shape."

Kozyrev: Yeltsin 'In Good Form'

LD2712174695 Moscow INTERFAX in English 1659 GMT 27 Dec 95

[From the "Diplomatic Panorama" feature]

[FBIS Transcribed Text] MOSCOW, Dec 27 (Interfax) - After his meeting with Russian President Boris Yeltsin Wednesday at his countryside residence in Barvikha in the Moscow region, Foreign Minister Andrey Kozyrev told correspondents "the president is in good form."

According to the minister, there has been huge progress since he last saw the president, and they had a good, warm and business-like meeting. "We wished each other happy New Year," said Kozyrev.

The minister informed the president of several international issues, including work for the liberation of the Russian IL-76 plane and its crew members detained in Qandahar, Afghanistan, by the Taleban opposition movement, preparations for the Commonwealth summit and the G8 summit on nuclear security.

"The president gave instructions and called attention to hitherto unused possibilities," said Kozyrev. "You will soon see the results of this meeting and the presidential instructions."

Commenting on the Presidential Council for Foreign Policy formed by a presidential decree, Kozyrev said that the state leader justified its formation with the need for better coordination between Russian departments. "This would not infringe upon the prerogatives of the Russian Foreign Ministry, including coordination. The Foreign Ministry will remain a coordinating department and a key body in its sphere," said the minister.

"This is a matter of a key instrument for personal presidential participation," he stressed.

Kozyrev believes that if such meetings were held at least once in two months among top officials, including the president, it would create favorable conditions to coordinate the activities of all agencies.

He warned against attempts to turn the council into a body of the type of a department in the CPSU Central Committee, where some bureaucrats would try to resolve political issues or substitute ministries. "I am

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confident that this is not what the president meant," said Kozyrev.

He could not say who would head the council, which must be decided by the president. Kozyrev said that the Foreign Ministry will put forward a candidate.

It must be an expert who understands that the goal of the council is to help the president and agencies to organize work in two major areas — in implementing decisions and in decision-making when an interdepartmental decision is needed, said Kozyrev.

Medvedev: Kozyrev Must Decide Own Future

LD2712143295 Moscow INFORMATSIONNOYE AGENTSTVO EKHO MOSKVY in Russian 1300 GMT 27 Dec 95

[FBIS Translated Text] Commenting on the 27 December meeting between President Boris Yeltsin and Russian Foreign Minister Andrey Kozyrev, who has been elected a Russian State Duma deputy for Murmansk constituency No. 116, Sergey Medvedev, the Russian president's press secretary, told Ekho Moskvy radio station: "Andrey Kozyrev should himself take the decision on combining his ministerial post and his deputy's mandate."

According to the presidential press secretary, Boris Yeltsin and Andrey Kozyrev "will return to discussing this issue later, and the president will voice his point of view, but first and foremost it is the minister himself who should make the decision."

Sergey Medvedev pointed out that President Boris Yeltsin is currently fulfilling his constitutional duties in full measure, and can be expected to appear in the Kremlin soon.

Belyayev To Lead 'Our Home Is Russia' in Duma

LD2712152095 Moscow ITAR-TASS in English 1358 GMT 27 Dec 95

[By Artem Protasenko]

[FBIS Transcribed Text] MOSCOW December 27 (Itar-Tass) — Sergey Belyayev, Chairman of the Russian State Property Committee and one of the leaders of the Our Home Is Russia movement, will head the movement's group at the new Duma. This was decided today at a seminar-conference of deputies to the Duma — members of the movement, which is held at the Lesnye Dali recreation centre in the Moscow Region. He will be officially appointed to the post after the formation of the parliamentary group is completed, Alexander Shokhin, member of the Duma from the Our Home Is Russia movement, told Tass.

Representatives of the parliamentary group may head the Duma Committees for Economic Policy, for Public Health, for Education, for Local Government, for Legislation, for International Affairs and for Federalism, Shokhin continued. The movement has at its disposal a "strike force" for supervising the work of those committees, because a number of members of their parliamentary group have sufficient professional level. According to Shokhin, he would like to become head of the Committee for Economic Policy.

The movement got 9.89 per cent on December 17 at the federal list voting (the third after communists and liberal democrats). In one-seat constituencies the movement won 10 seats in parliament out of 225.

General Gromov Urges Withdrawal of Troops From Chechnya

LD2712144795 Moscow Radio Rossii Network in Russian 1400 GMT 27 Dec 95

[FBIS Translated Text] Colonel General Boris Gromov, the main military expert at the Russian Foreign Ministry, has called for the immediate withdrawal of troops from Chechnya. In an interview for journalists in Moscow, he expressed the opinion that a continuation of the conflict can only lead to hundreds more people being killed or missing and an outbreak of hostilities similar to the current situation in Gudermes.

Speaking following today's wreath-laying ceremony at the memorial to the unknown soldier at the Kremlin walls to mark the 16th anniversary of the entry of Soviet troops into Afghanistan, the general drew parallels between the Afghan and Chechen wars. The former commander of the 40th army, which fought in Afghanistan, expressed regret that the Russian authorities have not drawn conclusions from the lessons of Afghanistan, the main one of which is that one should never unleash a war against a whole people, especially inside one's own country.

Police Launch Operation Against Criminals, Chechens

LD2712152395 Moscow INTERFAX in English 1342 GMT 27 Dec 95

[FBIS Transcribed Text] MOSCOW, Dec 27 (Interfax) — In December, the Russian Interior Ministry stopped the activity of 442 criminal groups during a widescale operation Vikhr (Whirlwind), a top-ranking official from the Interior Ministry told Interfax Wednesday.

A two-day operation was carried out on the territory of 11 CIS countries, including Russia, in order to prevent terrorist acts on the part of extremist fighters and members of Chechen criminal gangs.

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In a local and federal search, 2,402 criminals, were detained during the operation. More than 100,000 crimes, including 234 murders, over 500 serious crimes, 650 robberies, and 1,600 thefts of state-owned property were exposed during the operation.

Law enforcement bodies confiscated more than 2,000 units of rifle arms, 599 units of cold steel, 355 stolen cars, 410 kilograms of drugs, and 1,080 tonnes of rare and non-ferrous metals, the ministry said.

The Main Department on Organized Crime under the Russian Interior Ministry and the bureau to coordinate the struggle against organized crime in the CIS headed operation Whirlwind. Interior detachments took part in the operation along with the police.

Federal Assembly

Legislative, Regulatory Documents 17-23 Dec

96P50030

[FBIS Media Note] The following is a listing of Russian legislation recently published in the press of the Russian Federation compiled by FBIS. Numbers within parens indicate approximate wordage. Entries followed by the notation "Text" have been translated into English and are available in FBIS publications.

NOTE: ROSSIYSKAYA GAZETA, ON PAGE 1 OF ITS 19 DECEMBER 1995 EDITION, ANNOUNCED THAT IT WAS "SUSPENDING PUBLICATION FROM 20 DECEMBER — THERE IS NO MONEY EVEN TO PAY THE DEBTS FOR NOVEMBER."

SECTION I: ECONOMIC LEGISLATION (EXPORT-IMPORT, BANKING, PRIVATIZATION, AUCTIONS, REGIONAL DEVELOPMENT)

RF Government 28 October Decree No. 1038 On Amending RF Government Decree Of 12 August 1994 On Excise Duty Stamps. (Moscow ROSSIYSKAYA GAZETA in Russian 19 Dec 95 p 5) (200)

RF Government 5 November Decree No. 1092 On Measures For State Support Of Sheep Rearing In Russian Federation. (Moscow ROSSIYSKAYA GAZETA in Russian 19 Dec 95 p 5) (350)

Government 20 November Decree No. 1126 On Immediate Measures Of State Support For Solving Magadan Oblast's Socioeconomic Problems Plus Gorbunov Commentary. (Moscow ROSSIYSKAYA GAZETA in Russian 19 Dec 95 p 1) (450/150)

RF Government 25 November Decree No. 1144 On Allowing Cargoes Of Citrus Fruits From Abkhazia Into Russian Federation, With Commentary By T. Shutova. (Moscow ROSSIYSKAYA GAZETA in Russian 19 Dec 95 p 5) (300/400)

Government 25 November Decree No. 1154 On Normalization Of Activities Of Atomic Energy Ministry's Agricultural Enterprises. (Moscow ROSSIYSKAYA GAZETA in Russian 19 Dec 95 p 4) (200)

Presidential Edict No. 1187, dated 28 November, On Revival Of Institution Of Russian Nautical Assembly Plus Commentary By S. Ptichkin. (Moscow ROSSIYSKAYA GAZETA in Russian 19 Dec 95 p 5) (400/500)

Yeltsin 7 December Edict No. 1230 Cancelling 1995 Loans-For-Shares Auctions Affecting Certain Aviation, Shipping, Metallurgy Enterprises. (Moscow ROSSIYSKAYA GAZETA in Russian 19 Dec 95 p 3) (300) (Text)

Federal Law No. 195, dated 10 December, 'On Fundamentals Of Social Services For The Population In The Russian Federation,' Plus Volkova Commentary. (Moscow ROSSIYSKAYA GAZETA in Russian 19 Dec 95 p 3) (4500/900)

SECTION II: POLITICAL (INTERNATIONAL AND CIS AFFAIRS, ELECTIONS, CRIME, POLLUTION)

Government 12 October Decree No. 1003 On Interdepartmental Commission On International Cooperation In Sphere Of Education With Commentary By V. Meskov. (Moscow ROSSIYSKAYA GAZETA in Russian 19 Dec 95 p 5) (50/250)

RF Government 23 October Decree No. 1468 Accepting Recommendations Of Education Ministry Concerning Negotiations With Moldova Relating To Cooperation In Education Sphere. (Moscow ROSSIYSKAYA GAZETA in Russian 19 Dec 95 p 5) (50) RF Government 28 October Decree No. 1039 On Development Of Cooperation With Foreign Countries In Education Sphere. (Moscow ROSSIYSKAYA GAZETA in Russian 19 Dec 95 p 5) (450)

RF Government 4 December Decree No. 1186 On Participation Of RF In Council Of Europe Conventions In Educational Sphere. (Moscow ROSSIYSKAYA GAZETA in Russian 19 Dec 95 p 5) (250) (Text)

Presidential Edict No. 1217, dated 6 December, On Unified System Of Federal Organs Of Executive Power In Communications Sphere. (Moscow ROSSIYSKAYA GAZETA in Russian 19 Dec 95 p 5) (300) (Text)

SECTION III: SCIENCE AND TECHNOLOGY

Government 2 November Decree No. 1085 Approving Appended (But Not Published) Federal Targeted Pro-

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gram On 'Creation Of Uniform State Automated System For Monitoring Radiation Conditions On Russian Federation Territory.' (Moscow ROSSIYSKAYA GAZETA in Russian 19 Dec 95 p 4) (350)

RF Government 2 November Directive No. 1525 Accepting Recommendations On Voluntary Cooperation With World Meteorological Association In 1996-1997 Period Plus Commentary By A. Sharov. (Moscow ROSSIYSKAYA GAZETA in Russian 19 Dec 95 p 5) (100/600)

Government 5 November Decree No. 1102 Approving Appended Federal Targeted Program On 'Protection Of The Environment And The Population Against Dioxins And Related Toxic Substances In 1996-1997.' (Moscow ROSSIYSKAYA GAZETA in Russian 19 Dec 95 p 4) (300/3000)

Government 5 November Decree No. 1108 Accepting Ministry Of Economy And Kemerovo Oblast Administration Proposals On Urgent Measures To Improve Environment In Kemerovo Oblast In 1996-1997. (Moscow ROSSIYSKAYA GAZETA in Russian 19 Dec 95 p 4) (350)

Communists Begin Talks on Top Duma Posts

LD2712150895 Moscow INTERFAX in English 1342 GMT 27 Dec 95

[FBIS Transcribed Text] MOSCOW, Dec 27 (Interfax) — The Russian Communist Party, winner of the best score at the last parliamentary election, has begun negotiating about candidates to the posts of Duma speaker and committee heads with two other political groups with seats in the next State Duma (lower house of parliament), the center-right Our Home is Russia and the liberal pro-reform Yabloko, one of the party's leaders said on Wednesday.

The aim of the talks is "to avoid lengthy discussions on that matter at a plenary session," deputy speaker of the former Duma Gennadiy Seleznev told Interfax.

"The key issues will be settled by January 5 or 6, but it is too early now to say who the candidates will be," he said.

As for such talks with the extreme nationalist Liberal Democratic Party (LDPR), which came up with the second best result at the December 17 poll, "they will begin immediately after the New Year," and "by January 13 or 14 the situation will be clear." So far there have been no meetings between the two parties due to LDPR leader Vladimir Zhirinovskiy's absence from Moscow, Seleznev said.

He said the Communist Party laid claim to leadership of about half of the Duma's 23 committees.

He denied rumors that the Communists would not object to the International Affairs Committee being headed by Zhirinovskiy if one of them could take the post of Duma speaker. "I don't see" Zhirinovskiy in that capacity, he said. The Communists have no serious objections to the position being filled by an LDPR member, but it must "by no means (go) to Zhirinovskiy" for "he'll cause us to fall out with the whole world."

In addition, "there is no need for a faction leader to be Duma speaker or to head committees, as he has other tasks," said Seleznev, adding that this was also true for the Communist Party faction.

At a previous press conference, communist leader Gennadiy Zyuganov said that in the new State Duma the Communist Party intends to claim the committees previously headed by its members, in particular the security and public organizations committee.

Yushenkov Previews Possible Moves of New Duma

MK2712132895 Moscow MOSKOVSKIY KOMSOMOLETS in Russian 27 Dec 95 p 3

[Interview with Sergey Yushenkov under the general headline: "Question of the Week. What Will State Duma Do During First Two Months of Its Work?"]

[FBIS Translated Text] Sergey Yushenkov, "Russia's Democratic Choice" faction:

Forecasts usually come true, and this is dangerous — they are rather pessimistic, you know. The first thing the Duma will do, naturally, is elect its chairman. This could perhaps be Lukyanov, perhaps someone else, maybe Goryacheva....

Now all will depend on what the Communists offer Zhirinovskiy. The Communists and the Agrarians do not constitute a majority, and they will have to form an alliance with someone. I do not think that the NDR ["Russia Is Our Home"] or "Yabloko" would go for it. Therefore, the Communists are left with only their natural ally — Zhirinovskiy. The problem is whether they will want to identify themselves with such a force as the LDPR [Liberal Democratic Party of Russia]. If they would, they will form a majority resulting in a clearly predictable situation — the abrogation of the Belovezhskaya Pushcha Agreement, changing the national anthem and on down the line, nationalization, revision of laws on privatization and other laws.

As for who is going to lead the committees, all depends on who the CPRF chooses for its ally, with whom they will be able to agree. They may decide on cutting the

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number of committees, which is rather logical, and they would take them all under their own control or divide them up with their ally, leaving nothing to either the NDR or "Yabloko," and, in principle, that would be right. Parliament without a majority is very unstable. Once they have won, they are supposed to use the fruits....

[MOSKOVSKIY KOMSOMOLETS] What about the situation in Chechnya?

[Yushenkov] What can be done here? A law? But the law was proposed a thousand times and was rejected by the votes of Zhirinovskiy and the Communists. The NDR would also hardly agree.... Well, there will of course be an attempt, and we will back such an attempt by all means....

[MOSKOVSKIY KOMSOMOLETS] Could they go after the Constitution?

[Yushenkov] Well, let them! There is still the Federation Council, and then, they do not have two-thirds of the votes in the Duma. Though it is hard to say how "Yabloko" is going to act under this situation. And it also calls for approval by two-thirds of the Federation components — this is not easy to do....

A war against the government? Why shouldn't they make war? If they do not do this, they would prove inconsistent, they would break their campaign promises.

Likely Candidates for Federation Council Speaker

MK2812091395 Moscow MOSKOVSKIYE NOVOSTI in Russian
No. 87, 24-31 Dec 95 (Signed to press 26 Dec 95) p 8

[Report by Anna Ostapchuk: "Does the Senate Need a Speaker?"]

[FBIS Translated Text] In the first days of their activity senators will have to decide a key question — to elect a permanent speaker for the entire term or to select a presiding officer for each session.

As is known, there will be no permanently-working members in the new senate. Therefore, most experts agree that the role of the upper house apparat will increase sharply. As of now it will decide all key matters, beginning from which law should be recommended for approval (earlier, this was the function of corresponding committees). The figure of the chief of staff will assume far greater weight. It is no accident that the candidates being discussed belong to quite a different class than Vladimir Nikitov, who performed these functions in the outgoing Federation Council. Naturally, the influence of such a powerful official can be balanced only by a strong house speaker. In the absence of the latter, senators, apart from other things, become materially dependent on the Federation Council chief of staff. Those who doubt this should recall the royal court and the minister-administrator from Shvarts' [fairy tale] "Ordinary Miracle."

Meanwhile, the senators will begin their discussion of the question of the speaker with the proposal to abolish this post altogether. Some senate members have already expressed the fear that in the new situation the speaker could end up with even greater powers than Vladimir Shumeyko in his time. On learning of this, Mr. Shumeyko immediately came up with a proposal on how to bypass this obstacle — not to elect the speaker for the entire term, but to choose a chairman for each session. As far as MOSKOVSKIYE NOVOSTI is aware, this proposal met with understanding in some Kremlin offices. However, such an idea will hardly go down well with the majority of senators, who are accustomed to the fact that the speaker is also a lobbyist for their interests in the White House. Whatever could be said, Shumeyko has coped with this role quite successfully.

An important counter-argument can be that by losing its speaker, the senate will lose its representative in the Security Council — unlike, for instance, the Duma.

Incidentally, the authorities cannot be too interested in "pushing through" such an option: Good or bad, the speaker also performed the function of mediator, a moderator representing the political cross-section of the whole federation — with corresponding contradiction complexes. Without such a figure, internal tension is bound to build up. If tired of it, the senators can at any moment elect a permanent speaker — a most unexpected person. For example, Aman Tuleyev, who refused a Duma mandate in order to become a senator, being speaker of the Kemerovo [Oblast] parliament, a position he has kept.

Furthermore, the absence of a [permanent] speaker deprives the authorities of an important channel for influencing the decisionmaking process in the upper house. Both Staraya Ploshchad and Krasnopresnenskaya Embankment will get what they fear — unpredictability.

Thus, a "presiding officer" is not the most popular option today. Therefore, Federation Council lobbies are already abuzz with discussion of various candidates for the post of permanent speaker.

Among others, Samara Oblast administration chief Vladimir Titov and Moscow Oblast Governor Anatoliy Tyazhlov are cited. This is the so-called "Shumeyko-2" option. Both figures are firmly associated with the "party of power:" Titov is deputy chairman of "Russia

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Is Our Home" [NDR] and Tyazhlov is leader of the NDR's Moscow Oblast regional division.

In the context of a "red breakthrough" in the Duma and in many oblast dumas, the election of a speaker too engaged by the authorities is less likely than two years ago. Both of the aforementioned candidates have support groups but have no majority support. The premier-declared "operation" against those governors who, based on the NDR election campaign results, proved "unworthy" of their posts, will hardly contribute to their success — unless such governors are "dismissed" before the Second Senate opens....

On the other hand, the authorities can choose to accommodate the internal trends that exist within the Federation Council itself.

The main criteria that a candidate should meet are quite evident. These are nationwide prominence, clout, and personal loyalty to the president and the prime minister. But, in addition to that, the ability to find a common language with leftists and moderate nationalists both in the Duma and in the upper house itself. In other words, this should be a person ready to take on the role of a buffer.

So, who can be called a probable candidate for this post, proceeding from the intentions of the house itself? The most oft-cited names are those of Viktor Stepanov, chairman of the Karelia government; Mintimer Shaymiyev, president of Tatarstan; Eduard Rossel, head of the Sverdlovsk Oblast administration; Boris Nemtsov, Nizhniy Novgorod governor; and Yegor Stroyev, Orel Oblast governor.

Each candidate has its "pros" and "cons." Stepanov's and Shaymiyev's chances could be impaired by their "republican" origin: The oblasts are worried over domination by the republics as it is. Rossel, in spite of his Russia-wide popularity, appears too politicized to many senators. And many republic leaders associate him with excessive activity by the oblasts. Boris Nemtsov would probably be ideal. But the "generation gap" will hardly allow the senate, whose average age is "well over forty," to accept the young and talented man from Nizhniy Novgorod as their leader.

As for Stroyev, he is handicapped by his origin ("hails from the Politburo") and his links with the leftists. Meanwhile, it is known that this "leftist" substantially contributed to the passage of the 1996 budget in the senate (he headed the Federation Council conciliation commission). There are already some "symptoms" that, other things being equal, this candidacy can be given preference. Recently Stroyev was elected coordinator of the Council of Interregional Associations, while regional administration heads and legislative assembly speakers are members of all interregional associations as well as the senate. Furthermore, at a recent session Stroyev (together with Shumeyko) was elected chairman of a commission for the transfer of affairs [peredache del] from the old senate to the new one. Is this not a tribute to the old party tradition: The person who heads the funeral organization commission replaces the diseased?

Senior Member of 'Our Home' Views Duma Prospects

LD2712182895 Moscow NTV in Russian 2100 GMT 26 Dec 95

[from the "Today at Midnight" program]

[FBIS Translated Excerpt] [Anchorman Mikhail Osokin] The deputies of Russia is Our Home [NDR] have been meeting in the Lesnyye Dary government rest home to work out their tactics and strategy for action in the Federal Assembly. First and foremost, they agreed that the elections have nonetheless turned out successfully. Thanks to the deputies winning in single-seat constituencies, added to the party list candidates, the residents of Our Home have somehow managed to be the second largest faction in the lower chamber. Furthermore, they plan to extend their influence to independent deputies, and also to the unstable Liberal Democrats, as well as getting together in solidarity with Yabloko on some issues.

Nikolay Travkin [former minister without portfolio] told us about this, revealing the NDR's future tactics.

[Begin recording] [Osokin] In what main area of legislation will the NDR be taking the initiative?

[Travkin, interviewed in office] In the economic sphere, primarily.

[Osokin] How do you plan to attract independent deputies to your side?

[Travkin] On the one hand, we have said that the door is open to those who want to become fully fledged members of the faction. On the other hand, if an individual has some specific convictions or gave some particular promises and guarantees to his electorate, then that's fine! If he is a normal sort of person, we will work with him. If another democratic-leaning faction is set up, that's no bad thing either. [passage omitted]

[Osokin] Nikolay Ilyich, who do you think should be speaker of the State Duma?

[Travkin] Ivan Petrovich Rybkin! [passage omitted] What you need is a very calm person. Rybkin was a

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real find for the fifth Duma — should we cast aside this find and invent another one now?

[Osokin] What are the new State Duma's prospects? Will it be able to work for four years?

[Travkin] The main event is still to come — the presidential elections. With this president, the Duma could work another four years. If there is some sort of revolutionary change, then it's pointless to hazard guesses about what would happen afterwards. The whole point about revolutions is that what happens afterwards is unpredictable, just chaos. [end recording]

[Osokin] Here, incidentally, Nikolay Travkin contradicts himself somewhat. As a steadfast supporter of Boris Yeltsin, he is campaigning for the wide powers granted to the president, since he thinks that these powers can save the country from the actions of the communist faction in the State Duma. But Nikolay Travkin fails to take account of the fact that those very same powers will be granted to the following president, who could act far more effectively than any Duma faction.

'Yabloko' Faction's Zadornov Previews Duma Workload

MK2712151095 Moscow MOSKOVSKIYE NOVOSTI in Russian
No. 87, 24-31 Dec 95 (Signed to press 26 Dec 95) 7

[Report by Mikhail Zadornov, State Duma deputy from "Yabloko" and chairman of the State Duma Budget Committee under the "In the Country" rubric: "A Provisional Duma or a Provisional Government?"]

[FBIS Translated Text] ... The elections are over, but what is in store for us? To be more specific, what economic changes should we expect the recent Duma vote to entail? What problems will the new Duma come to grips with and can it bring something new (or old) to Russian economic policy?

One will be able to judge the definitive balance of forces in the new parliament only by February, when the stances of various factions in key Duma committees become clear. But to all appearances one can expect that the economic committees will be dominated by professionals whose decisions will be based, among other reasons, on common sense.

Alas, it will still be difficult to make headway anyway. For instance, one can safely predict that privatization and property relations will run into serious difficulties — all bills in this area can easily be spurned by the left factions (but all declarations regarding immediate nationalization, absolute state control, and an across-the-board freezing of prices, for their part, will remain just declarations, falling short of winning a majority's backing). We will witness the push-pull effect of sorts in our parliament, and it seems that the fate of privatization may well be forgotten throughout the new Duma's term. It is another matter that presently no one would venture to say how long this term will last — four years or ten months...

For understandable reasons significant difficulties will also beset the drafting of land legislation. Generally speaking, draft laws on the ownership of land and other parts of the "national heritage" will remain the most painful subjects for all factions.

As for tax reform, for instance, even deputies hewing to diverse views may fairly quickly find a common language on this matter, because everybody realizes the need for change. In the former Duma there were also other examples of such understanding: The laws on banks, the securities market, and the fundamentals of the taxation system were approved by the Duma as a whole, not by individual factions that had to strike up alliances for the particular purpose of "pushing through" one bill or another.

Ironically, the bills encountered problems later — it is the state legal administration of the presidential staff that often resisted their coming into force more vigorously than the State Duma's left faction.

The drafting of banking and budget legislation, too, will also proceed without particular upheavals, because in this area the parliament as a whole is interested in the most detailed regulation.

In my view, one should not expect an across-the-board overview of the already adopted laws by making all kinds "amendments and additions" to them. The Communists' win still does not mean an abrupt turn toward communism, anarchism, or any other "ism." It is doubtful that the new Duma will start its work by revising basic economic laws that are already in force. Neither the Communist Party nor the Liberal Democratic Party of Russia [LDPR] have a ready package of bills that could immediately be submitted for consideration.

Moreover, one should not ascribe to the Duma functions it does not perform. It can only authorize or rejects an economic policy, while it is the government that formulates it and carries it out. But at present we have a provisional government in the direct sense of this word. Until the results of the presidential elections are announced its position will remain unstable.

Naturally, this entails a danger that various forces may attempt to exploit this situation in order to achieve their own ends. Does this mean that the government and parliament will turn into an inseparable couple whose

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only business will be to propose and pass numerous populist laws, setting their sights on the presidential elections? It would be very unfortunate if this were to happen.

Over the last weeks of its operation the former Duma had already passed lots of hasty laws that, as they stand now, will never be signed by the president. In particular, the law on state support for the agro-industrial sector, which the president has already rejected, and numerous social laws — on the subsistence minimum, and amendments to the laws on pensions and veterans. They simply have no financial grounds to stand on. Still one cannot but admit that over the two years of its operation the Duma passed several times fewer populist decisions than the Supreme Soviet had done before it. Certain laws that were enacted then still cannot be implemented because of a lack of funds. Moreover, the fate of such laws had been clear even before they were adopted...

So, February will give us the answer as to whether the new Duma will actually be a legislative body, or whether it will turn into a rostrum for testing political programs of presidential hopefuls. Yet it all cannot — for the time being — have a crucial impact on the economy.

Regional Affairs

Chernomyrdin Addresses Orenburg Oblast Enterprise Chiefs

MM2712173495 Moscow ROSSIYSKAYA GAZETA in Russian 26 Dec 95 p 1

[Report by Bulat Kalmantayev: "If You Rely on the Center...."]

[FBIS Translated Text] Orenburg — Russian Federation Government Chairman Viktor Chernomyrdin is currently in Orenburg Oblast.

"Your oblast," he said during a meeting with journalists, "was the first region with which the government signed five agreements. The conclusion of a treaty on the demarcation of powers between federal organs of power and Orenburg Oblast's state organs of power is in the pipeline. This document is ready, it stipulates the center's areas of responsibility and the oblast authorities' areas of responsibility."

The premier also addressed this subject during a conference with oblast and fuel and energy complex enterprise leaders. "You will no longer be able to excuse your own slip-ups by referring to Moscow," Viktor Chernomyrdin stressed. "Do not forget what voters were promised during the election period. You are responsible for carrying out the people's instructions!"

The conference discussed matters pertaining to the development of the region's fuel and energy complex. Gas men have confidently begun extracting oil using modern technology — horizontal drilling of wells. One natural gas processing unit is being converted to gasoline production. On learning of this Viktor Chernomyrdin reminded specialists that market relations dictate a quite definite strategy for putting new output into production. One is bound to take into account when offering customers gasoline that gasoline production capacities are successfully at work in neighboring Bashkortostan and at nearby Orsk in eastern Orenburg Oblast.

The premier also met his fellow villagers.

N. Caucasus Students Arrested After Saratov Incidents

MM2812103895 Moscow KOMSOMOLSKAYA PRAVDA in Russian 27 Dec 95 p 1

[Unattributed report: "Caucasus War Also Flaring Up in Saratov"]

[FBIS Translated Text] Recently, students originating from the North Caucasus have unexpectedly rallied around the slogan: "Down with Russian supremacy in Saratov!" The Caucasians have made their presence felt particularly within the walls of the Saratov Law and Economics Academies, where they have written slogans like "Russians are pigs" all over auditorium walls. The Russian students did not tolerate the written and verbal insults for long. There was a battle lasting two days on the campus of the Saratov Economics Academy between Caucasians, the majority of whom were Chechens, and Slavs, who were cadets at SVVIKU [Saratov Higher Military Engineer Command School] named for Lizyukov. Several people from both sides were seriously injured.

Subsequently, staffers of the Saratov FSB [Federal Security Service] together with OMON [special-purpose police detachment] and the oblast UVD [Internal Affairs Administration] mounted an operation to detain three students of the Saratov Law Academy. The Caucasian trio had for several months persecuted a female Russian student from the same higher educational establishment, demanding money from her and threatening her with brutal violence. They were caught red-handed, at the moment the money was being handed over. One has already had criminal charges brought against him, and the other two have been released, having given a written undertaking not to leave the area.

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N. Tatarstan Oil Fields Could Yield 80 Million Tonnes

MM2812100495 Moscow PRAVDA in Russian 26 Dec 95 p 2

[Report by Nikolay Morozov: "New Lease on Life for Tatarstan"]

[FBIS Translated Text] Kazan — Eight new oil fields have been discovered in northeast Tatarstan. One of them — the Aktanyshskoye field — has recentlycome on stream. The oil is temporarily being shipped to neighboring Bashkortostan for refining at one of the "Bashneft" Association's enterprises until the "Tatneft" Joint-Stock Company has built its own storage facilities.

Oil prospecting has been conducted in northern Tatarstan for many years but it was only the use of modern prospecting methods — aerospace studies, helium and geochemical surveying — that brought geologists success. Specialists think that the northern oil-bearing region contains around 80 million tonnes of "black gold." By the year 2000 it is planned to commission 78 wells in the Aktanyshskoye field alone.

Reasons for Early Tatar Presidential Election

MM2812120395 Moscow KRASNAYA ZVEZDA in Russian 28 Dec 95 p 3

[Report by Oleg Bedula and Aleksandr Bugay: "Shaymiyev Precipitates Events. Republic of Tatarstan Presidential Elections Scheduled for 24 March 1996"]

[FBIS Translated Text] This report caused a sensation. After all, under the Republic of Tatarstan Constitution, the elections should be held three months later. Let us remind readers that Mintimer Shaymiyev, the incumbent head of the republic and Tatarstan's first president, was elected on the same day as Russia's president — 12 June 1991. Therefore, voters were rightly expecting that this time too they will have to elect two presidents — the republic's and the country's — on the same summer's day.

Analysts cite several reasons to explain the haste of Tatarstan's leadership. The main reason is the complex political situation in Russia itself following the Duma elections. Tatarstan is evidently worried about the future of its own sovereignty. So, Mintimer Shaymiyev, a wise and experienced politician, has decided to secure both his own future and the future of the sovereign republic he heads against any surprises which the results of the presidential elections in Russia might produce. Suppose that, all of a sudden, the person who promised to turn Kazan into a guberniya capital becomes Russia's president? If presidential elections in Tatarstan are held earlier than the all-Russia elections, the leader of the Republic of Tatarstan (and few people in Kazan doubt that Mintimer Shaymiyev will remain leader after the elections) will gain time to consolidate his own positions and will be able to prepare properly for any possible consequences of the elections in Russia.

There is a group of politicians in Kazan who perceive yet another "canny" scheme behind the rescheduling of the elections. After all, Mintimer Shaymiyev's rivals for the post of head of the republic are now left with only half as much time to organize and conduct their election campaign. Consequently, their own chances of victory are sharply reduced....

Purely pragmatic considerations cannot be ignored, either. Will any Moscow or foreign journalists pay any special attention to the presidential elections in Tatarstan if elections for president of Russia are held on the same day?

Speaking about presidential elections in Tatarstan, it is impossible to overlook the amendment to the Republic of Tatarstan Constitution adopted by the Tatarstan State Council session. The law on election of the Republic of Tatarstan president currently makes no provision about a vice president. Mintimer Shaymiyev has proposed a new method for the transfer of the president's powers to his successor in the event of the republic president's being unable to perform his duties. Hitherto, under the Constitution, the successor would have been the vice president or the State Council chairman. Now it is the prime minister.

Credit is due to the courage of State Council Chairman Vasiliy Likhachev, who defended the rights of the representative branch to the last. Despite the president's unambiguously and repeatedly expressed wishes, he consistently upheld the State Assembly's interests. Only a roll-call vote enabled Mintimer Shaymiyev to win the "gentlemen's duel" with the speaker.

There is no doubt that voters will display high levels of activeness during the Tatarstan presidential elections. It is also evident that by no means all will go and vote at the Russian presidential elections. The voters' activeness will depend on who will have donned the "leader's cloak" in Russia by 16 June and on the extent to which this leader will be deemed "suitable" by Tatarstan's leaders.

Reportage, Commentary on Chechnya Situation

German OSCE Official 'Alarmed'

AU2712134795 Cologne Deutschlandfunk Network in German 1200 GMT 27 Dec 95

[Interview with Juergen (Haidukov), German representative of the Organization for Security and Cooperation

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in Europe in Groznyy, by Klaus Kunze in Moscow; date not given]

[FBIS Translated Text] [Kunze] Mr. Haidukov, you have just come back from Chechnya. Groznyy was the last place you visited. What was your impression?

[Haidukov] The situation in Chechnya is alarming. The extent of the destruction and the brutality can be compared with the events that took place one year ago. The massacre of Gudermes, which has been going on since 14 December, cannot be described with words. Large parts of the town have been destroyed, some of the homeless are injured, some of them are old people, women, and children. They have been in the basements of the destroyed houses for several days — freezing, without food and water. The Russian side denied the International Red Cross entry to the town for several days, thus preventing urgently needed humanitarian aid from reaching the people. There is a danger that such massacres will be repeated in other towns in Chechnya. I think it is now important to prevent a genocide, it is important to prevent an area conflagration in neighboring republics, including Dagestan, Ingushetia, or the whole northern Caucasus.

[Kunze] You are speaking like a Foreign Ministry official or some other politician. What can be done specifically?

[Haidukov] What is necessary is an immediate cease-fire and the continuation of the talks by the commanders on both sides.

[Kunze] This is something the Russians or the Chechnyans should ensure. What can the West do? Can it do anything at all?

[Haidukov] Personally I believe that — also because of the holiday season — the political activities by the FRG vis-a-vis Russia are not sufficient to prevent the human rights violations in Chechnya.

Likelihood of Resuming War Viewed

MK2712132795 Moscow MOSKOVSKIY KOMSOMOLETS in Russian 27 Dec 95 pp 1, 7

[Report by Yuliya Kalinina: "There Will Be No More Talks With the Dudayevites, But Exterminating Them Will Not Be Allowed Either"]

[FBIS Translated Text] The current developments in Gudermes and a heightening of tensions in Chechnya evidently call for a reaction from the "anti-Dudayev" side. This side is not a single whole. It is represented by at least three different forces whose stances may considerably differ from each other.

Minister Kulikov's promise to hold no talks with the Dudayevites any longer, but to rely exclusively on force, appears to be the centerpiece of the stance to which the side of the "federal forces," that is, the Joint Group of Forces in Chechnya, will be hewing. Nationalities Minister Nikolay Semenov, who appears to represent the side of the "Russian Government," is not that categorical — in his view, it should first be clearly established that Maskhadov was in fact in command of the Gudermes operation in violation of the peace agreement he himself had signed. If this is not Maskhadov's army, but an "unauthorized" illegal armed formation, then Maskhadov should not be held responsible for their actions and contacts with him could be resumed. Doku Zavgayev, who represents the side of "the Chechen Government," turned out to be even more tolerant — he is ready to hold talks with anybody provided they can bring peace.

The emphasis on the use of force in practice may look as follows: The army will resume the air raids and artillery shelling of the Dudayev fighters' bases that are located in villages. As always, it is the civilian residents of these villages who will fall victim to the attacks, a tide of popular indignation will mount all over Chechnya, something that will not add popularity to Doku Zavgayev, but on the contrary will give rise to mass protest actions against his rule. If the Dudayevites do not wait for air raids on their bases and launch an offensive themselves (which, by the way, is quite possible, all the more so because the New Year, which is remembered in Chechnya as the day of crushing the Russian Army, is just around the corner), they will act according to the "Gudermes" scenario. This means yet more numerous casualties and destruction — and the whole ire of the civilians will turn on Zavgayev, who, being the head of the republic, could not defend his innocent citizens.

The interests of the forces that make up the "anti-Dudayev" side turn out to be somewhat contradictory when it comes down to "resolute" actions. It is essential to reach a compromise — otherwise the immense efforts spent on carrying out elections in Chechnya will prove to have been in vain.

Evidently, Zavgayev is trying to realize the possibilities given to him under the agreement between Russia and the Chechen Republic, which he signed a month ago. In his words, no "state of emergency" regime will be imposed on the republic in any event, but the command of the Joint Group of Forces will have to coordinate its actions with Zavgayev: "We will try to place everything that is being done there under our control."

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Zavgayev pins his main hopes for the conflict settlement on the "intra-Chechen dialogue," which successfully worked in Urus-Martan, a town that the rebels left after talks with the authorities. In addition, the just issued statute on amnesty will also help reduce the number of fighters — according to Zavgayev, 100 people have already filed applications to lay down their arms. The "Gudermes" situation will no longer recur, while possible attacks by the Dudayevites in the future should be seen as local, dying outbreaks in response to the elections that were held.

If the side of the "Chechen Government" gains the upper hand in the search for a compromise, the Russian troops will have to stay in Chechnya and protect the government from the Dudayevites, while remaining a target for them and being unable to respond as hard as they can — that is, to wage war to wipe out the illegal armed formations.

If the side of the "federal forces" gains the upper hand, this will mean a full-blown war that can possibly be even more terrible than the war of last year. The side of the "Russian Government," which appears to have the determining vote here, cannot but realize this, for which reason in all likelihood precisely the "Zavgayev" option will be chosen and the army will once again become the suffering side.

Former Chechen Supreme Soviet Head on Gudermes

MK2712144595 Moscow NEZAVISIMAYA GAZETA in Russian 27 Dec 95 p 3

[Interview with Yusup Soslambekov by Ilya Maksakov: "Yusup Soslambekov: 'Political Arrests Have Started.' A New Version of Events in Gudermes." — place and date not given; first paragraph is introduction]

[FBIS Translated Text] In a telephone conversation with Yusup Soslambekov, chairman of the former Supreme Soviet of Chechnya, your NEZAVISIMAYA GAZETA correspondent asked him to talk about the situation in the republic after the election was held there.

[Soslambekov] During the election, from 14 to 17 December, combat operations continued in the highland part of Chechnya, Gudermes, Shatoy, Shali, Urus-Martan, and Argun-Gekhoy-Martan. Immediately after 17 December, the new government, in the person of Zavgayev, started to make political arrests of leaders of movements and political organizations who took no part in military operations but, at the same time, did not support Zavgayev himself. The first act of this performance was the arrest of Ruslan Soslambekov, chairman of the people's diplomacy movement "For Peace and Unity" and head of the contact group of the "roundtable" of political forces of Chechnya, who, over the past two months, by having negotiated with the Dudayevites, handed over six Russian prisoners of war to their parents and set up an organizing committee for the preparation of a Chechen peace conference, due to be held on 13 January 1996. It should help to achieve national accord and stabilization and to stop the bloodshed in Chechnya. Ruslan Soslambekov is also an aide to State Duma Deputy Vladimir Isakov, chairman of the Committee for Legislation and Judicial and Legal Reform. On 23 December, he was on his way to Groznyy to attend a meeting of the "roundtable" headed by Vladimir Zorin, first deputy chairman of the Territorial Directorate of Russian Federation Executive Bodies in the Chechen Republic. At a checkpoint at the entrance to the city, Ruslan Soslambekov was arrested without being charged and was taken away in an unknown direction. His whereabouts and the reason for his detention have not been made public yet. Other members of the "roundtable" — Constitutional Court Chairman Ikhvan Gerikhanov and Ruslan Avtarkhanov — left for Moscow, threatened with political persecution.

[Maksakov] What is your forecast of developments after the election?

[Soslambekov] Of course, there have been no elections as such in Chechnya. The participation rate, excluding the military, was minimal, and according to our information, it cannot be higher than 1.5 to 2 percent. A considerable part of the population, which linked the onset of work by the Joint Supervisory Commission with stabilization of the situation, was presented with the fact that the work of this commission was disrupted and Chechnya has entered a new stage of armed confrontation. Dudayev considers himself a lawful leader. The same is true for Zavgayev. The former has armed units, the latter is already forming ones of his own. So, to my mind, in the near future large-scale intra-Chechen armed conflicts, arrests, and persecutions of political figures who fail to support this or that side are probable. In short, the nation has entered a self-destructive phase.

[Maksakov] But what about the statements saying that a Chechen will not kill a Chechen?

[Soslambekov] We were convinced that this is so. The events in summer and autumn of 1994, however, have shown that this is possible after all. The people's diplomacy movement "For Peace and Unity," headed by Ruslan Soslambekov, arranged a meeting of Dudayevite field commanders with commanders of units in opposition to Dudayev, 20 representatives from each side, on 14 November in the village of Goyty. They concluded an agreement that they would never take up arms against each other. As for the idea of a Chechen peace confer-

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ence, it envisions precisely the participation of both the Dudayevite side and opposition units, as well as servicemen of special-purpose militia detachments, general police, and federal troops stationed in Chechnya. It was planned at this conference to reject the use of military means to solve political tasks. Apparently, this was not to someone's liking.

[Maksakov] The gunmen who were going to Gudermes could not be unaware of the fact that their actions would lead to casualties among civilians. How can you comment on the events from this viewpoint?

[Soslambekov] The press is giving various interpretations as to the onset of armed confrontation in Gudermes. The thing is that at the beginning no journalists were admitted there, and all information was obtained only from official sources. I was in Gudermes on the night of 13 December, on the eve of the events. For the period of the election campaign, gunmen of Dudayevite units left for home so as to campaign against the election. Headed by Oman Raduyev and the Dudayevite prefect of Gudermes Rayon, members of Raduyev's detachment, numbering over 200 people, came to the city. Naturally, they were armed, but seized nothing and only took part in meetings and gatherings of people; at night, they got together and posted a guard. The Zavgayevites and local media made a noise, saying that gunmen had entered the city, seized some buildings — and federal troops rushed into fight. As a result of this provocation, there were some initial clashes, which later evolved into a true battle. The same happened in Urus-Martan and in Achkhoy-Martan. The demand of the people of Achkhoy-Martan and Dudayevite gunmen that the prefect and head of the rayon militia department be replaced was caused by the fact that local people had decided not to open voting stations and not to vote. The prefect and the militia head of Achkhoy-Martan Rayon, however, themselves filled out all the ballots, composed protocols, and took them to Groznyy. This became known and people came out demanding their dismissal. Naturally, at their call, members of Dudayevite units who lived in the rayon came back to the village. Thus, the elections had laid the foundation of future dissent in the Chechen community.

Parliament Speaker Criticizes Gudermes Action

LD2712130995 Moscow ITAR-TASS in English 1127 GMT 27 Dec 95

[By Nikolay Zagnoyko]

[FBIS Transcribed Text] GROZNYY, December 27 (Itar-Tass) — Chairman of the Presidium of the Chechen parliament Amin Osmayev was critical of the way the federal troops acted in Gudermes.

"The defeat of Dudayev's supporters in Gudermes strengthened the legal authorities in the republic. However, the federal troops did not act at their best," Osmayev told Tass on Wednesday.

At the same time, "the performance of the government and local authorities was not 100 percent effective" either. The Gudermes events will be thoroughly analysed, he said.

As for the military, they had to "prevent bloodshed in the republic's second larger city, as they had had enough information about a planned act of violence," according to him.

Osmayev refused to give the exact number of casualties among Gudermes civilians saying it is being clarified.

Earlier, press secretary of the Chechen government Ruslan Mortagov presented preliminary data saying that 250 to 300 civilians had been killed. However, Russian military sources refute the number.

"In any case, one thing is clear. There should be a closer interaction with local citizens and elders. Such experience has brought positive results in Urus-Martan and Achkhoy-Martan. Shali will be next," he said.

Government Negotiates With Separatists

LD2712151695 Moscow INTERFAX in English 1342 GMT 27 Dec 95

[FBIS Transcribed Text] GROZNYY, Dec 27 (Interfax) — Representatives of the Chechens government and Supreme Soviet are negotiating a ceasefire agreement with separatist field commanders for the fourth day in a row near Shali, 45 kilometers south of the Chechen capital Groznyy.

Several field commanders have spoken not only in favor of ceasefire, but also of resuming the work of the special supervision commission, a Chechen government representative told Interfax.

Similar negotiations are being held in the south west town of Urus-Martan, where detachments of separatist fighters have been also introduced.

The Chechen government expressed its hope that "concrete results" would be reached in the course of these negotiations.

The work of the special supervision commission implementing the agreement on the package of military issues was practically suspended after two Russian servicemen accompanying chief of the Chechen headquarters Aslan Maskhadov disappeared. Supporters of the separatist leader Dzhokhar Dudayev repeatedly declared that

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they would find and return the servicemen to the Russian party, but have not done this until now.

Dudayev Separatists Blamed for Deadlock

LD2712165295 Moscow INTERFAX in English 1538 GMT 27 Dec 95

[FBIS Transcribed Text] GROZNYY, Dec 27 (Interfax) - A senior Russian official said on Wednesday Moscow was ready to resume talks with the Chechen separatists but that no proposals to that effect had come from the separatist side.

Vladimir Zorin, first deputy head of the Russian administration in Chechnya, told Interfax the separatists under Dzhokar Dudayev were to blame for a virtual deadlock in the negotiations. "No representative of the federal side has ever turned down a chance to settle the situation in Chechnya in a peaceful way," he said.

Also, recent fighting between Russian troops and separatists in Chechnya's second largest city of Gudermes was "a stab in the back of the process of implementation of the (July 30) agreement on a set of military issues (between Moscow and the separatists)," Zorin said, but added that the Russian government was still ready to look for a nonviolent settlement.

He also said there were mounting peace sentiments in Dudayev's entourage and that some of the field commanders were openly protesting against further fighting and demanding that separatist fighters be let go back to their homes.

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International Affairs

Joint British Statement on Kuchma Visit to UK

WS2712154395 Kiev KHRESHCHATYK in Ukrainian 20 Dec 95 p 2

[Report by the press service of the Foreign Ministry and UKRINFORM: "Relations Between Ukraine and Great Britain Are Improving"]

[FBIS Translated Text] During the official visit by Ukrainian President Leonid Kuchma to Great Britain on 13 December, he and British Prime Minister John Major signed a joint statement hailing the strengthening and deepening of relations between Ukraine and the United Kingdom, and they confirmed their decision to further develop cooperation and partnership according to the agreement on principles of relations and cooperation between Ukraine and the United Kingdom of 10 February 1993.

British Prime Minister John Major hailed the recent achievements of Ukraine on the path of political and economic reform. He urged President Kuchma to preserve the positive impulse which was given particularly to structural reform, confirming that the United Kingdom will continue to support further progress in this direction.

President Kuchma expressed his satisfaction with the role played by the Knowhow Fund in rendering assistance to transitional processes in Ukraine.

President Kuchma and British Prime Minister John Major held out the hope that bilateral economic cooperation between Great Britain and Ukraine will develop. They agreed that mutually beneficial trade and investments must be encouraged. This includes the creation of favorable conditions for investments, particularly the introduction of relevant legal and tax standards. They also urged using measures to boost the development of economic and business relations, particularly fairs, exhibitions, and exchange visits by businessmen.

President Kuchma and British Prime Minister John Major stressed the important role of foreign trade and capital investments in the recovery of the Ukrainian economy. They emphasized that the current trade volume between the two countries have not exhausted opportunities for mutually beneficial trade. President Kuchma supported the increase in direct British investments in priority sectors of Ukrainian economy.

President Kuchma and British Prime Minister John Major agreed that it is extremely important to ease the access of goods and services to the economies of Central and East European countries, including Ukraine. In this context, they specified the leading role of the EU in opening Western markets. They agreed that it is necessary to assiduously prepare for the scheduled examination of the state of free trade in 1998, and theyheld out the hope that it will promote further liberalization of trade for the benefit of Ukraine and the EU. The British prime minister expressed his understanding of Ukraine's wish to receive recognition as a country with a transitional economy, and he expressed his support for Ukraine's accession to the World Trade Organization when necessary conditions for such accession are created.

President Kuchma and British Prime Minister John Major expect that negotiations that are currently being held between the "G-7" and Ukraine will provide positive results regarding the signing of a memorandum on mutual understanding covering measures to support Ukraine's decision to close down the Chernobyl nuclear power plant by the year 2000, based on President Kuchma's statement of 13 April 1995 and the letter of 8 August 1995 to the leaders of the "G-7."

President Kuchma and British Prime Minister John Major confirmed that their joint aim is the construction of a stable, democratic, and prosperous Europe. They stated that Ukraine can provide a significant contribution to stability and security in Europe, stressing that the observance of all Helsinki principles of sovereignty, inviolability of borders, and territorial integrity by the members of the Organization on Security and Cooperation in Europe [OSCE] is of particular importance for Ukraine.

Specifying Ukraine's positive decision to join the nuclear Non-Proliferation Treaty as a nonnuclear state as well as the guarantees for security issued to Ukraine by the United Kingdom in this connection, British Prime Minister John Major congratulated President Kuchma for the achievements on the path of dismantling nuclear weapons in Ukraine.

President Kuchma and British Prime Minister John Major agreed that the further integration of Ukraine with European structures is important. The British prime minister hailed the recent accession of Ukraine to the European Council as a positive element of this process. President Kuchma and British Prime Minister John Major agreed that relations between Ukraine and the EU must further develop based on the agreement on partnership and cooperation between Ukraine and the EU. They will welcome a trade agreement that will come into force in early 1996. They hope that when Great Britain heads this organization in the first half of 1996, the dialogue between Ukraine and the West European Union will continue to develop. They also specified the importance of deepening relations between

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Ukraine and NATO in the area of cooperation within the framework of the Partnership for Peace program, and beyond it as well, as within the framework of the NATO Council. They agreed that both countries will continue to conduct bilateral consultations on strengthening European security.

President Kuchma and British Prime Minister John Major emphasized with satisfaction the effective and increasing role of the OSCE in the development of European security structures and resolving of crises and conflicts. In this connection, they hailed the active role of the OSCE in restoring peace in the Balkans. They specified the importance of all OSCE member-states in observing obligations to resolve all disputes by peaceful means.

President Kuchma and British Prime Minister John Major agreed to support the further cooperation between the two countries on the international arena, particularly in the UN.

President Kuchma and British Prime Minister John Major hailed the widening of bilateral cooperation in the military sphere that is reflected in the recently signed program for military cooperation between the Ukrainian and British defense ministries. This program envisages practical measures to exchange experience in the sector of training servicemen, implementing reform in the Armed Forces, conducting joint military exercises, and exchanging visits between representatives of the two ministries. Within this program, a British Royal Naval ship will visit a Ukrainian port in 1996.

President Kuchma and British Prime Minister John Major hailed the signing of the Ukrainian-British agreement on international motor transportation and a memorandum on mutual understanding regarding the confiscation of illegally earned income. This memorandum on mutual understanding is an important proof of the striving of the both countries to cooperate in combating illegal drug trafficking, terrorism, illegal migration, illegal weapons trade, and other forms of international crime.

President Kuchma and British Prime Minister John Major also agreed that it is important to develop cooperation and the exchange of delegations in the cultural, scientific, educational, and environmental protection areas, and promote the development of contacts at all levels between the people of Ukraine and the United Kingdom.

President Kuchma asked British Prime Minister John Major to visit Ukraine in 1996. British Prime Minister John Major accepted this invitation with gratitude.

Russian Reaction to Incident Called 'Provocation'

AU2712153795 Kiev MOLOD UKRAYINY in Ukrainian 22 Dec 95 p 1

[Statement by the Defense Ministry Press Service: "The Provocation Has Failed"]

[FBIS Translated Text] A few days ago, the Press Center of the Black Sea Fleet disseminated information on the alleged seizure of a food warehouse in the Donuzlav zone "by a group of Ukrainian naval sailors." This information does not reflect the true situation. The incident was due to the reluctance on the part of some Black Sea Fleet officers to recognize the need to hand over Black Sea Fleet facilities to Ukraine's Navy in conformity with the schedule. This incident must be officially investigated.

It is noteworthy that the Press Center of the Black Sea Fleet, as well as fleet officials, are trying to take advantage of this misunderstanding as a point in drawing certain political conclusions. The position of Rear Admiral Petr Svyatashov, temporary acting commander of the Black Sea Fleet, is quite surprising. In an artificially inspired incident, he saw "consequences of a joint basing of the fleets on the same territory" and even a "fact of uncontrollability of Ukraine's Naval subdivisions."

This reaction may be assessed as deliberately provocative. It is inadmissible now that, as a result of the Sochi accords between the defense ministers of Ukraine and Russia, the handover of the Black Sea Fleet facilities to the Ukrainian Naval Forces has started in reality.

Ukraine scrupulously fulfills the accords on the Black Sea Fleet division, which proceeds in conformity with the schedule adopted by the defense ministers of Ukraine and Russia. Any intentional or irresponsible attempts to provoke a violation of this process at a low level are doomed to failure.

Russian TV Correspondents Lose Relay Privilege

MM2812090995 Moscow ROSSIYSKAYA GAZETA in Russian 26 Dec 95 p 15

[Unattributed report: "Russian Television Forced Out of Ukraine" — from the "Departmental Supplement" section]

[FBIS Translated Text] On the orders of the Ukrainian Justice Ministry, ORTV [Russian Public Television] correspondents have lost their opportunity to use radio relay channels to send in material that they have prepared. Ukrainian communications personnel say that this is because ORTV owes them money for their services.

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This is not the first time that Ukraine has taken action complicating the work of Russia's television journalists. Back in August channels were switched. Consequently, ORTV programs in most Ukrainian oblasts "moved" to channels on the microwave band, which meant unreliable reception in many areas, and ORTV programs were "diluted" by local television studio broadcasts as a result of which ORTV broadcasting time in Ukraine was more than halved.

At present none of the six correspondents working in Dnepropetrovsk, Odessa, Kharkov, Crimea, Lvov, and even in Kiev can send their reports down the radio relay lines to Moscow. They have to take any convenient opportunity to ship cassettes by air and rail.

National Affairs

Kuchma: 'Normal Working Relations' With Marchuk

AU2712135395 Kiev URYADOVYY KURYER in Ukrainian 21 Dec 95 p 1

[Unattributed report]

[FBIS Translated Text] During his visit to the Main Administration of the Ministry of Internal Affairs, Ukrainian President Leonid Kuchma told INTERFAX-UKRAYINA that there exist "normal working relations" between the president and prime minister [Yevhen Marchuk]. L. Kuchma expressed an idea that questions about mutual relations between the state's two top figures "should be addressed to the premier and not to the president. The president has, so far, no reasons for drawing any conclusions."

Kuchma Calls For Stable Agricultural Program

LD2712154895 Moscow INTERFAX in English 1346 GMT 27 Dec 95

[FBIS Transcribed Text] KIEV, Dec 27 (Interfax - Ukraine) — The major political goal in the sphere of the agro-industrial complex is "to coordinate activity of the two branches of power — to develop stable rules of the game for several years," believes Ukrainian President Leonid Kuchma.

The president advocated a market transformation of this sphere at a conference on agricultural problems in Kiev Wednesday.

A substantial concentration of chernozem (black earth) and "the industrious nature of the Ukrainian peasant" are "the ground for Ukraine's wealth."

In the next ten years Ukraine may join the group of the world's leading agricultural countries. "The agricultural-industrial complex should become a leader for drawing the economy out of the crisis," Kuchma said.

He opposes any new emissions to finance agriculture. "I hope that we shall be able to retain the inflation rate in 1996 in the range of 2 percent a month; this is the basis for forming credit resources."

Commercial bank credits are one of the possible sources to finance agriculture. "Mobilization of the population's free assets is another source," he said.

Kuchma called to lower the tax pressure on agricultural production and declared that the government would actively defend agricultural producers. At the same time "the matter concerns not protectionism in general, but a well-balanced, reasonable policy of state protectionism."

The national program of agricultural production should be finalized before February 1996 minding amendments voiced at this conference. A conference of Ukraine's large collective farms is scheduled for next February.

Moroz Stresses Need for Judicial Reform

LD2812111695 Kiev UNIAN in Ukrainian 0945 GMT 28 Dec 95

[FBIS Translated Text] Kiev [no date as received] — There is no doubt that there is a need for judicial reform and that we need to draw up a new version of the concept for judicial and legal reform approved four years ago, Oleksandr Moroz stressed at a meeting of the consultative council under the Supreme Council of Ukraine today. Members of the constitutional commission, representatives of the legislature, and prominent legal experts are taking part in the meeting.

According to Moroz, the meeting was convened to determine the structure of the legal system; whether it should be a unified system or whether it should be composed of several independent structures; the place and functions of the prosecutor's office within the system of state power; which court institutions need to be reformed; whether there is a need to set up a committee of inquiry; whether the system of passing verdicts needed reforming, in particular, whether it was necessary to change the functions of the internal affairs bodies concerning sentences passed down by the courts.

Rukh Concerned About Maintaining National Ideal

AU2712163295 Lvov ZA VILNU UKRAYINU in Ukrainian 19 Dec 95 p 1

[Report by an unidentified correspondent: "Rukh Is Ready To Take Power"]

[FBIS Translated Text] Last week, Ukraine's People's Rukh [Movement for Perestroyka] held its sixth congress in Kiev. As its chairman Vyacheslav Chornovil stated, today, a single political force has taken shape

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on the basis of this organization, a force that knows what it wants, knows how to implement its goals, and is ready, jointly with other democratic organizations, to take power. The entire course of the forum has confirmed this.

The delegates repeatedly turned their attention to the issue of the national ideal. It was stated that the present power structures are not sufficiently inspired by this ideal. It is even asserted in the top echelons of power that the national ideal has burnt itself out. Among the Russian-speaking population, there is even talk of its harm. All of these theses were condemned at the Rukh congress and, in this connection, trends of the organization's activity were outlined. According to Chornovil, the Ukrainian population must be forged into a Ukrainian nation.

Today, as never before in recent years, the process of Ukrainization has gone backwards. There is a threat that a non-Ukrainian state may be built. The People's Rukh will continue to be in opposition to the official power and will only support those of the government's actions that coincide with the organization's principles.

At the Rukh congress, a number of amendments to the statutes were adopted and the program was updated. Reorganization measures in the leading bodies were also approved. From now on, there will be no Lesser or Greater councils, but the Conference and the Central Leadership and its presidium will function. Volodymyr Chernyak, a well-known economist and an active member of Rukh since its founding, was elected deputy chairman of Rukh.

Economic Affairs

Kuchma on Land Reform, Other Economic Issues

LD2712164895 Kiev UNIAN in Ukrainian 1315 GMT 27 Dec 95

[FBIS Translated Text] Kiev — Land reform in Ukraine should be conducted in three stages: the removal of land from state ownership and its transfer to collective ownership, which should have been completed in 1995; the division of land into plots, which should last two years; and the final stage, which would entail "organizing land into a new type of collective farm." Ukrainian President Leonid Kuchma said this at the all-Ukrainian conference on agro- industrial problems on 27 December.

He stressed that 1996 should become the "year of reducing the tax burden on agricultural producers." The head of state stressed that it is necessary to introduce a land tax that would create appropriate conditions for farms to operate in diverse natural and climatic conditions.

The president said that it is planned to introduce a range of measures aimed at regulating electricity prices and domestically produced goods.

Leonid Kuchma fully supported the necessity of restoring price parity which will become possible thanks to increased state regulation.

He rejected accusations that he does not support collective farms, stressing that such accusations are "pure political actions." According to the president, he is always in favor of collective farms but in "conjunction with private farming methods."

Kuchma To Change Duties on Agricultural Imports

WS2812122595 Lvov INFOBANK in English 1045 GMT 29 Dec 95

[From the "News Service" feature]

[FBIS Transcribed Text] Kiev — Summarizing work carried out by Ukraine's agribusiness complex in 1995 during a nationwide meeting on agribusiness policies in Ukraine held December 26-27 in Kiev, Prime Minister Yevhen Marchuk reported that so far this year agricultural losses totalled KBV [karbovantsi] 25 trillion. One quarter of all of Ukraine's agricultural enterprises showed losses and 34,000 Ukrainian farms produced only 2-3% of the total volume of agricultural production. According to the prime minister, in 1995 agricultural exports increased to $2 billion, but a negative aspect of this was that barter operations and the sale of raw materials abroad rather than the sale of processed products predominated in export transactions.

Mr. Marchuk also reported that almost 90% of all collective farms have completed the process of dividing land among collective farm members.

During his speech at the meeting on December 27, President Leonid Kuchma announced that policies involving the rapid liberalization of foreign economic activities significantly harmed domestic agricultural producers. He said that the government was concerned about massive imports of foreign agricultural products into Ukraine. A document is therefore presently being prepared with regard to changes in customs duties on the import of agricultural products to Ukraine as well as on those transported over Ukrainian territory. Some types of agricultural equipment and other goods will also be affected. In his speech Mr. Kuchma affirmed that a 1% increase in rural production would result in an increase of 3-4% for Ukraine's gross national product. He also assured that the government now has every opportunity to keep inflation at a level no higher than 2-3% monthly in 1996.

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Participants in the nationwide agribusiness meeting decided to send a draft of their National Program for the Development of Agricultural Production for 1996-2005 to Ukrainian regions in order to take into account all propositions and comments before its approval by parliament expected by mid 1996.

Privatization of Gas, Oil Providers Halted

WS2812115995 Lvov INFOBANK in English 1045 GMT 28 Dec 95

[From the "News Service" feature]

[FBIS Transcribed Text] Kiev — Ukraine's State Property Fund has halted preparatory work which had been carried out for the privatization of UkrHazProm (Ukrainian Gas Industry) and has stopped the privatization of UkrNafta (Ukrainian Oil). The State Property Fund's decision was the result of parliament's cancellation of an order issued earlier by the Fund concerning the privatization of businesses and property in the oil, natural gas, and oil refinery sectors. Parliament passed a resolution with regard to this issue on 2 November 1995.

A letter sent by the State Property Fund to parliament on December 25 states that UkrHazProm, which was incorporated in accordance with a presidential decree issued 15 June 1995, now has the status of an open joint stock company and all 100% of its shares are state-owned. The Cabinet of Ministers made no decision with regard to the privatization of UkrHazProm since that enterprise had not submitted a share placement plan to the State Property Fund for consideration.

With regard to the UkrNafta open joint stock company, the State Property Fund reports that 40% of its shares have been transferred into private hands and 60% remain state-owned. Of the UkrNafta shares which were privatized 9.5% went to company employees and citizens of Ukraine who have the right to purchase shares under favorable conditions (presently 39,500 individuals own this percentage of shares in UkrNafta), and 30.5% of the company's shares have been sold for privatization certificates to citizens of Ukraine (514,000 individuals).

In the opinion of the State Property Fund's deputy head, Oleksandr Tymoshenko, the privatization of UkrNafta did not violate any laws, since property which according to a parliamentary decision is not subject to privatization was not included as a part of the company's statutory fund.

Property Fund Details Privatization Progress

WS2812120095 Lvov INFOBANK in English 1045 GMT 28 Dec 95

[From the "News Service" feature]

[FBIS Transcribed Text] Kiev — On December 26 at a briefing in Ukraine's State Property Fund the results of Ukraine's privatization program in the first 11 months of this year were announced. During this period a total of 12,511 businesses and properties were privatized. Of these 9,752 were small-scale (43% of the number that were planned to be privatized in 1995) and 2,710 were large- and medium-scale of which all or most shares were sold (34% of that planned). Forty-nine incomplete construction projects were privatized.

Among the leaders in small-scale privatization in Ukraine are the Odessa (92% of that planned), Zaporizhzhya (71%), Zakarpattya [Carpathian Oblast] (65%), Lvov (63%), Dnipropetrovsk (62%), Donetsk (54%), Ivano-Frankivsk (52%), and Sumy (50%) Oblasts and the cities of Kiev (67%) and Sevastopol (53%). The latter two cities have special governmental status. The slowest rate of small-scale privatization is to be found in the Chernihiv, Kherson, Kirovohrad, Poltava, Kharkov, and Kiev Oblasts where less than 25% of the small-scale privatization planned for 1995 was carried out.

The largest number of large-scale businesses prepared for sale are in the Zhytomyr (51% of that planned for 1995), Dnepropetrovsk (49%), Volhyn (48%), and Odessa (48%) oblasts and in Sevastopol (46%). The slowest rate of large-scale privatization took place in the Autonomous Republic of Crimea (5%). In the Zakarpattya, Lugansk, Sumy, Kharkov, and Chernihiv Oblasts the number of large-scale businesses privatized was only 20-25% of that planned for the year.

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Belarus

Lukashenka Meeting With Japanese Businessmen Detailed

WS2812094795 Minsk ZVYAZDA in Belarusian 23 Dec 95 p 1

[Report by BELTA correspondent Alyaksandr Lyushkevich: "The Potential of Belarusian-Japanese Relations Is Enormous"]

[FBIS Translated Text] **To meet the Belarusian leadership and arrange a reception to honor Japan's national holiday — the emperor's birthday — is how Mr. Koji Watanabe, Japan's ambassador extraordinary and plenipotentiary to the Russian Federation and Belarus, described the goal of his 22 December official visit to Minsk.**

Not only diplomats but also representatives of large Japanese banks and trade companies, such as Mitsubishi, Marubeni, and Nissho Iwai, arrived in Minsk. They met with Belarusian President Alyaksandr Lukashenka, Prime Minister Mikhail Chyhir, Foreign Economic Relations Minister Mikhail Marynich, and First Deputy Foreign Minister Valeryy Tsapkala, and visited the Belarusian National Bank.

Issues concerning the development of cooperation between the two countries were the main topic of talks held during the meetings. In the opinion of Alyaksandr Lukashenka, cooperation between Belarus and this highly developed country is very important for us.

Currently, according to the president, Belarusian-Japanese relations, particularly economic relations, do not correspond to the potential capabilities of the two states. For example, in 1994 Belarus' exports to Japan totalled $3.803 million, and imports came to $8.003 million. Japan's share in the total volume of Belarusian exports and imports amounts to 0.4 and 0.3 percent, respectively. During January-August this year, our Republic exported products worth $1.2 million to Japan, mainly polyacrylonitrite fibers, motorcycles, integrated circuits, and potassium fertilizers, and imported goods totalling $5.115 million. Two joint ventures, one Japanese company, and Japan's trade mission are registered in our Republic.

During the meetings between the guests and the president, also addressed was the issue of investments. As everyone knows, Japan is one of the largest investors in the economies of the United States, Southeast Asian countries, and the EU. Belarus also is waiting for Japanese investors.

In particular, Alyaksandr Lukashenka noted that Japanese businessmen could more actively invest in the Belarusian economy if they knew the situation in our Republic. There are even concrete areas in which cooperation between Japanese and Belarusian businessmen could be mutually advantageous. For example, our Ministry of Industry is interested in examining Japan's proposal to invest $100 million to carry out a joint project of the Karal production amalgamation and Toshiba to produce color television picture tubes in Belarus.

The two countries' efforts aimed at preventing disasters similar to that at the Chernobyl nuclear power plant may serve as a model of bilateral relations. It is hard to overestimate the current Japanese assistance for Republic to liquidate the aftermath of that disaster.

During 1991-1995, Belarusian regions which suffered from the accident received large consignments of modern engineering equipment and pharmaceuticals totaling over $7 million from Japan's Sosakawa charity fund.

In general, the visit to our country by representatives of the country of the Rising Sun made it possible to sum up the entire experience of our bilateral cooperation, and will certainly help the two states define priorities for its further development.

Lukashenka Pledges 'Perfect Relations' With Russia

LD2712170695 Moscow INTERFAX in English 1342 GMT 27 Dec 95

[FBIS Transcribed Text] MINSK, Dec 27 (Interfax) - Belarusian President Alyaksandr Lukashenka has pledged perfect relations with Russia no matter the balance of power in the State Duma.

Then he told reporters in Minsk on Wednesday he would not have struck a rapport with Yegor Gaydar had the latter come to power. "But it often happens that politicians say one thing during the election campaign and pursue an entirely different policy after facing the reality," Lukashenka said.

He believes the election of the new Russian Duma for a four-year term in office will guarantee "some stability," which in itself gives "all the grounds to speak in terms of deeper economic relations between the two countries."

At the same time, the Belarusian leader admitted that Russia's foreign policy would largely depend on who wins the Russian presidency in June, because "under the Russian constitution, the president is the supreme executive."

Lukashenka also spoke of planning to address the first session of the new parliament meeting on January 9.

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Lukashenka: Some Political Forces Fan Tension

LD2712194295 Moscow INTERFAX in English 1851 GMT 27 Dec 95

[FBIS Transcribed Text] MINSK, Dec 27 (Interfax-West) — Belarusian President Alyaksandr Lukashenka said at a meeting with workers of the Belkommunash factory, Minsk, today that some political forces did not like social and political stability in the country.

Lukashenka visited the factory to celebrate the assembling of the country's hundredth Belarus-produced trolley-bus.

"These forces failed to ignite war in Belarus a year ago. Today they will also fail to split the Belarusian people and provoke them into launching a rebellion," Lukashenka said.

Some trade unions try to act as such rebels and as those sacrificing themselves for the people's well-being, Lukashenka said.

Earlier, leaders of Belarus' independent trade unions and trade unions of workers of the electronic and agricultural machine-building industries said they were preparing a nationwide strike. Trade unions' complaints include overdue wages. They also demand that the industry minister be dismissed and trade unions be ensured free rein.

The toughest measures will be taken against the people's "new defenders" so that "they do not use temporary economic difficulties and do not provoke a rebellion," Lukashenka said.

With regard to the production of the first 100 Belarus-made trolley-buses, Lukashenko said the country would produce five times more trolley-buses next year. Belarus-produced trolley-buses will be used in Minsk and other cities where trolley-bus traffic exists, he said.

Moldova

Ukrainian Defense Minister Arrives on Official Visit

LD2612204395 Kiev UNIAN in Ukrainian 1930 GMT 26 Dec 95

[FBIS Translated Text] Chisinau, 26 Dec — Ukrainian Defense Minister Valeriy Shmarov has arrived in Moldova on an official visit. He will meet President Mircea Snegur on 27 December.

UNIAN has learned from reliable sources that the Moldovan Defense Ministry has expressed an interest in purchasing certain types of arms from Ukraine on a cash or barter basis. This is likely to be raised at the talks between Shmarov and his Moldovan counterpart, Pavel Kryange.

The two ministers will also discuss the military and political situation in the region, cooperation in the military and technical spheres, rear services, military medicine, transport and training.

At the end of the visit, the Ukrainian minister will sign a protocol on the organization and payment for mutually beneficial military shipments and a program of cooperation between the two defense ministries in 1996.

On 27 December, Shmarov will visit the Stefan cel Mare [as received] motorized infantry brigade.

Says Ukraine Will Not Join NATO

LD2712132295 Moscow ITAR-TASS in English 1250 GMT 27 Dec 95

[By Valeriy Demidetskiy]

[FBIS Transcribed Text] CHISINAU, December 27 (Itar-Tass) — Ukrainian Defence Minister Valeriy Shmarov has declared today that Ukraine maintains strict neutrality and that it does not intend to join either NATO or the CIS Defence Council. Shmarov spoke at a news conference devoted to the results of his visit to Moldova. During the visit, a package of documents was signed pertaining to cooperation between the defence ministries of the two countries.

Shmarov said that during his meeting with Moldovan President Mircea Snegur the two sides discussed the military and political situation in the region. The Ukrainian Defence Minister stressed that Ukraine was interested in the settlement of the Dniester conflict by peaceful means since this would promote the safety of its borders.

Shmarov came out against a proposal made by Russian defence Minister Pavel Grachev who had suggested granting a status of peace-keeping forces to the Russian contingent stationed in the Dniester region of Moldova. Shmarov believes that a peace-keeping mission should be carried out by international forces only, and in particular, the CIS forces. The Ukrainian defence minister said that the deployment of the Ukrainian peace-keeping forces on the territory of this region of Moldova was "theoretically possible".

Military Cooperation Agreements Signed With Belarus

LD2612160395 Minsk Radio Minsk Network in Belarusian 0500 GMT 26 Dec 95

[FBIS Translated Text] A package of documents on cooperation between Belarus and Moldova in the military field has been signed during an official visit to Chisinau

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by a delegation of Belarusian military experts headed by the Defense Minister Lieutenant General Leanid Maltsaw. At a news conference after the signing ceremony, the Moldovan Defense Minister Pavel Creanga said that the protocol on cooperation and the program of bilateral military cooperation for 1996 were the result of contacts between the two ministries, which started back in June 1993. During the visit there was a discussion of matters concerning the repair of military hardware, exchange of delegations of military experts, and also visits by Belarusian military personnel to a range of facilities belonging to the Moldovan national army. In Maltsaw's view the visit and the documents signed will promote fruitful cooperation between the two countries in the area of military construction.

Official Says Dniester Elections Violate Constitution

LD2712194795 Moscow INTERFAX in English 1851 GMT 27 Dec 95

[FBIS Transcribed Text] CHISINAU, Dec 27 (Interfax) — An adviser to Moldovan President Mircea Snegur on Wednesday condemned recent parliamentary elections and referendums in Moldova's breakaway region of Transdniester as violations of the Moldovan constitution and international law and as moves designed to put an end to Moldovan-Transdniester talks.

The unilaterally proclaimed Transdniester Moldovan Republic on December 23 elected its next legislature and held referendums in which it approved a constitution and voted to join the Commonwealth of Independent States.

Asked by Interfax what steps Snegur was going to take now, the adviser, Victor Josu, told a news briefing in Chisinau the president wished the negotiation process to continue and a team of experts to resume work with the mediation of officials from Russia, Ukraine and the Organization for Security and Cooperation in Europe.

Josu denounced the presence of members of the State Duma, Russia's lower house of parliament, at the election and referendums as monitors. "Elementary standards of international law were violated, and the presence of Russian observers at the election in Transdnestr cannot be qualified otherwise than as interference into the internal affairs of Moldova with all the consequences this may have," he said.

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Georgia

Georgadze Seen as Possible Tool in Moscow's Hands

MK2712145495 Moscow MOSKOVSKIYE NOVOSTI in Russian
No. 87, 24-31 Dec 95 (Signed to press 26 Dec) p 6

[Report by Akakiy Mikadze: "Igor Georgadze: Always Useful"]

[FBIS Translated Text] Russian mass media have resumed talking about General Georgadze, former head of the security service in Georgia. The reason for such attention was a statement made by Georgian Defense Minister Vardiko Nadibaidze before parliamentarians. He has not excluded the possibility that Igor Georgadze, who was accused by Georgian authorities of having staged and conducted terrorist acts, is presently living at Pavel Grachev's dacha. It is hard to say whether this was a slip of the tongue or whether the Georgian minister deliberately "exposed" his godson (slightly less than a year ago, when in the Anamuri monastery near Tbilisi, Pavel Grachev became a Christian, Nadibaidze acted as his godfather). Nadibaidze probably felt that the career of the Russian minister is coming to an end. This "confession" took place immediately after the election to the State Duma, when rumors about Grachev's dismissal started anew.

Anyhow, neither Tbilisi nor Moscow deny that Georgadze is in Moscow, whereas staffers of the Russian Embassy in Georgia, in their private talks with your MOSKOVSKIYE NOVOSTI correspondent, do not attempt to avert suspicions of links between their special services and the former head of the [Georgian] state security service. The Georgian president is still taking his time, saying: "I wish to examine in detail who and what Russia are behind this. Can Georgadze really mean more to Russia than the whole of Georgia?" says Shevardnadze.

There is yet another popular version in Georgia: The former head of the state security service is being taken care of by his friends from the Russian foreign intelligence service. It cannot be said with confidence, however, that Yevgeniy Primakov himself — whose relations with Shevardnadze can be called, if not friendly, then quite amicable — is behind this. The more so since his close friendship with Soliko Khabeishvili, an associate and friend of the Georgian leader, who was shot pointblank half a year ago at the entrance to his house, was well known. The murder of Khabeishvili is also ascribed to Georgadze.

Georgadze, in Moscow's hands, can become a Georgian Mutalibov, especially in the event Georgian policy does not suit Moscow (above all as regards the transportation of Caspian oil).

For the time being, however, the yet uncaught Georgadze appears useful. Under the pretext of fighting terrorism, Georgian law-enforcement agencies have dealt with organized armed crime. Over 300 members of the Mkhedrioni are in prison. The rest are in hiding or have left the republic. Jaba Ioseliani is under arrest. Two weeks after the arrest he was charged with illegal possession of weapons and drugs.

If Georgadze is not extradited to Tbilisi, the investigation will place the entire blame on him. If, however, a miracle happens and Moscow agrees to hand over Georgadze, the responsibility for the attempt on Shevardnadze will be shared, in equal parts, by Jaba Ioseliani and Igor Georgadze himself.

Parliament Head Denies Citizens' Union To Be Disbanded

LD2712151795 Tbilisi IPRINDA in Russian
1335 GMT 27 Dec 95

[FBIS Translated Text] Tbilisi, 27 Dec — According to an agency correspondent, Zurab Zhvania, chairman of the Georgian parliament, held a press conference today. He said that the Union of Citizens of Georgia is responsible for the current political processes and their results, as it is the ruling party in the country. According to Zhvania, the rumors about disbanding the Union of Citizens of Georgia do not correspond to reality and are groundless.

In connection with the newly-elected ministers, Zhvania noted that parliament will constantly monitor their performance and, if necessary, will raise the issue of the expediency of keeping them on their posts.

Zurab Zhvania said that the main issues to be resolved by the union are the restoration of the country's territorial integrity, creation of an effective security system, strong self-defense, and implementing a market economy.

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Latvia

Russia Urged To Acknowledge Soviet Occupation

LD2212155495 Riga Radio Riga Network in Latvian 1300 GMT 22 Dec 95

[FBIS Translated Text] With the cooperation of the European Union, the fact has now been demonstrated that Latvia was unlawfully incorporated into the USSR. The next step is to acknowledge the occupation. As is known, the government declaration by Andris Skele regards one of the main tasks of Latvia's foreign policy as being to promote the goal of Russia internationally acknowledging the 1940 occupation of Latvia.

So far the Saeima Presidium has not received a document from the state president or the government expressing an appeal to Russia to acknowledge the occupation. As soon as Saeima Chairwoman Ilga Kreituse receives such a document, it will be passed on. She regards it as most realistic that the occupation of Latvia might be acknowledged with the help of the European Union. The chairwoman stated this at a news conference today.

New Premier, Cabinet of Ministers Given Vote of Confidence

LD2212153195 Riga Radio Riga Network in Latvian 2100 GMT 21 Dec 95

[FBIS Translated Text] It has indeed happened that Latvia does have a new government before Christmas. The Saeima today approved the Cabinet of Ministers led by businessman Andris Skele. Seventy deputies expressed confidence in the Skele government; 24 deputies voted against. In accepting the vote, State President Guntis Ulmanis congratulated Andris Skele on attaining the post of prime minister.

Introducing his government to the deputies, Prime Minister Andris Skele said that its main tasks for the economy will be to maintain a stable national currency, to balance the income and expenditure in the state budget, the creation of a land market, and to attract foreign investment and develop a transit corridor. In the social sphere, Skele believes it is necessary to maintain full pensions for working pensioners, and to work out a [?study registration] program.

Immediately after being approved in the post, Andris Skele named the first issues to be settled by the Government:

[Begin Skele recording] Obviously, at the first Government session, which the state president must convene, we must settle and must get around to those matters which very many deputies also spoke about today. In the nearest future, I hope, it will be the first and serious task of the Government to present the state budget to the Saeima for approval. [end recording]

As concerns the long-term tasks of national economic policy, the Government declaration by Andris Skele states that it is for Latvia to be included in the economic circle of European countries, with the aim of joining the European Union. The Government will also continue its approach to NATO, and will continue to function actively in other international organizations, while forming stable neighborly relations with Russia, [?firstly settling] the border issue with Russia in accordance with international norms. Russia will be urged to acknowledge the fact of the 1940 occupation.

Lithuania

Reportage on 'Crisis' Situation in Banking System

Prime Minister Reassures Nation

LD2212192595 Moscow INTERFAX in English 1511 GMT 22 Dec 95

[From the "Presidential Bulletin" feature by Anna Kovalyova, Nikolay Zherebtsov, Andrey Petrovsky, and Boris Yunanov]

[FBIS Transcribed Text]

Prime Minister Admits Banking Crisis But Urges "To Keep Cool"

In a televised address last night, Prime Minister Adolfas Slezevicius described the situation in Lithuania's banking system as "rather complex."

In an earlier statement, the government had admitted a banking crisis but had predicted that it would take two-three months to overcome.

On Wednesday, the Lithuanian Bank declared the republic's biggest joint stock innovation bank LAIB bankrupt and stripped it of the banking license. LAIB shared about 13 percent of all the banking system assets. Individual deposits in the bank totalled about 300 million litas ($75 million) or 16 percent of the commercial banks deposits. LAIB caters for many industrial enterprises of strategic significance for the country's economy. The businesses include the joint stock Lithuanian Energy System, Ignalina Nuclear Power Station, and Mazeikiai Oil Refinery. Similar sanctions have been applied to yet another bank, Litimpeks, comprising the five biggest financial structures in Lithuania. The government has also decided to dismiss the Litimpeks board and appoint an acting chairman in the wake of yesterday's arrest of the Bank's Chairman Jonas Mackevicius and the Board's President Gintautas Preidys.

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"The decisions were essential to avoid worse consequences," Slezevicius explained, adding that his cabinet's actions have drawn a favorable response from the IMF Executive Council. According to Slezevicius, IMF experts are to arrive in early January to assist IN drafting a strategy to restructure Lithuania's banking system.

Measures are being adopted to cushion the effects of arresting the two major commercial banks accounts. The budget and other organizations whose assets have been blocked will be helped at the state budget expense, Slezevicius promised. [sentence as received]

Further measures will be applied to protect the banking system, "and the sacked bank chiefs will be held responsible for the crisis," Slezevicius said, urging Lithuanians "to keep cool."

IF Note: The banking crisis was also discussed in parliament on Thursday. Accusing the Lithuanian Bank of neglect for commercial banks activity, Interior Minister Romasis Vaitekunas announced that 73 cases were opened on charges of financial impropriety, causing more than 92 million litas ($23.2 million) worth damage for 56,000 citizens. The Interior Ministry itself is investigating eight criminal cases, and the Prosecutor General's Office is investigating several more, Vaitekunas said, adding that bankruptcy proceedings have been started against 11 commercial banks. The republic has a total of 28 commercial banks.

Premier Views Banking Crisis, Economy

LD2712123095 Vilnius Radio Vilnius Network in Lithuanian 0830 GMT 27 Dec 95

[Interview with Prime Minister Adolfas Slezevicius by Adolfas Drungilas, in Vilnius; date not given — live or recorded]

[FBIS Translated Excerpt] [Drungilas] We thought that on this Christmas and on New Year's Eve we would be calm and relaxed, contemplating our achievements and thinking about the plans that failed to materialize. [passage omitted] However, a week ago, the activities of two major banks in Vilnius were suspended and an announcement was made that the depositories of these banks are empty, which came as a shock to many companies, government agencies, and private individuals. [passage omitted]

Prime Minister, you may recall that in this very studio we spoke about the activities of the Sekunde Bank, Aurabankas, Vakaru Bank and about the illegal activities of some other enterprises which described themselves as banks. You then said that the depositors should have thought carefully about where they were entrusting their money. In June, the president demanded that the supervision of banks be stricter. Now, not only the depositors of the two banks at which operations were suspended — the Lithuanian Joint-Stock Innovation Bank [LAIB] and Litimpeks Bank — but also many other people in Lithuania are concerned. People are wondering: Why were such events allowed to happen? Maybe someone benefits from this crisis? Is it not possible that someone will be able to pocket the money? What is the future of these two banks? What is the future of Lithuanian banking in general? Can you tell us about the government's point of view on these matters?

[Slezevicius] Good morning. First I would like to offer season's greetings to all our listeners. This is my last radio interview this year, so I would like to wish you a Happy New Year.

Certainly, Christmas Eve, Christmas Day, and New Year's Day would have been much more joyful if it was not for the very unpleasant events which damaged the good holiday spirit of many depositors. This banking crisis represents a most acute economic problem. Not that this serves as any consolation, but I have to note that Lithuania was the last of the three Baltic countries to be hit by a banking crisis. Many stronger countries did not manage to escape such a crisis either. Of course, this fact offers little comfort to the depositors of LAIB and other banks. They are concerned primarily about their own deposits.

The recent decisions to suspend the activities of Litimpeks Bank and LAIB, which were made by the Bank of Lithuania, were necessary steps in order to avoid further losses at the banks. These measures are very painful and have not been welcomed by the staff of these banks. However, these steps were taken after carefully examining the situation at these banks and they are aimed at protecting the bank's depositors from losses, which was the most important consideration. The step was coordinated with international financial institutions — the International Monetary Fund and the World Bank.

The very painful experience of our neighbors in Riga, regarding the Banka Baltija, was also taken into consideration. In that case, there was a one- or two-month delay between the moment it was admitted that the bank is in very serious condition and the moment when the administrator was appointed and the bank's operations were suspended. During this period, about $200 million were lost, and that loss could not be recovered. Our decision was aimed at avoiding a similar situation.

I would like to note that according to our constitution and legislation the Bank of Lithuania has the exclusive right to supervise commercial banks and to influence their activities. On the other hand, the government cannot ignore these problems, either, because banking and

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the liquidity of banks is directly related to the general condition of the Lithuanian economy. That is why we, in close cooperation with the Bank of Lithuania, discuss and implement the necessary measures and prepare a strategic plan for avoiding further banking collapses. We are seeking measures to stop the crisis and fully to control the situation in the banking sphere.

The Seimas has instructed us to prepare a draft resolution, which we will present to the Seimas tomorrow, providing for a whole package of measures aimed at achieving this goal. It will include improvements in legislation and specific steps to rescue the banks whose activities have been suspended, and will prioritize the protection of deposits.

I would like to declare with full responsibility that the deposits with the banks which I mentioned earlier are secure because the suspension of all financial operations allows us to guarantee the safety of the deposits. Obviously, the depositors are concerned because they are unable to withdraw their deposits right now. However, instant withdrawal of deposits is impossible only at these two banks. We think that a very specific plan will be prepared by 20 January on how to enable the depositors to withdraw their deposits from these two banks, as well, should they wish to do so.

On 8 January, a special World Bank mission is to arrive in Lithuania. It is not an ad hoc visit in order to eliminate the consequences of the crisis. Agreement on the mission's visit was reached much earlier. However, during the visit we hope to draft a clear strategy on how and when to repay the deposits — if, of course, the depositors wish to withdraw them. At all other banks, there are no restrictions on the withdrawal of deposits, and no such restrictions are expected to be imposed in the future. However, I would like to say again — and I cannot emphasize it enough — there is no need to withdraw the deposits. By withdrawing their deposits, the depositors will loose interest and the risks will be much greater.

[Drungilas] It was declared that the banks are out of money. Where did the money go?

[Slezevicius] The reasons still have to be determined in a more detailed manner, but I can share some information from the report presented by the Bank of Lithuania.

The most important reason was that a great part of the credit resources — which essentially are people's savings and the money in business accounts- - were granted as loans in a very careless manner. It is now up to the law enforcement institutions, which are currently investigating this matter, to establish whether it was done on purpose, or whether it was because of incompetence, or due to some other reasons. It is now essential to recover this money, which is one of the most urgent objectives.

Another reason was that a substantial part of credit resources — and one fourth of all resources can indeed by described as a substantial part — were sold at a price which was lower than the cost of their purchase. It is easy to understand that commercial activities of this kind can hardly be profitable.

According to the Bank of Lithuania, as much as 37 percent of all loans granted by LAIB are bad debts. It is a highly unsatisfactory figure. Now, an additional examination is being conducted by the appointed administrators, who are working together with audit companies, international audit organizations, experts from the World Bank, from the Bank of Lithuania, and from the Finance Ministry. It will permit us to assess the present situation more precisely and to prepare a specific strategy.

The most important thing which I would again like to emphasize is that the deposits at these two banks, and at all other banks, are safe.

[Drungilas] This morning I met Mr. Juozas Dausys, editor-in-chief of the SVYTURYS magazine. He is most unhappy with the present situation: the account of the magazine is at the Litimpeks Bank. How is he going to make payments to the Sodra [national social security agency], to the tax inspectorate, and to the Lietuvos Telekomas [Lithuanian Telecom]? How are other small companies going to make their payments? Mr. Dausys asked me whether there was any instruction to these institutions to the effect that they should be supportive and not charge late payment fees and penalties?

[Slezevicius] Certainly, the banking crisis causes significant inconvenience when one has to make payments. The state budget is losing a lot of income as well, since some money is simply stuck at these banks and at their branch offices and cannot be used. There are difficulties in pensions payments because over 16 million litas of the Sodra money is stuck at one of the banks. Along with other measures, we will have to prepare proposals on how to reduce the negative impact on all the companies and state agencies which have their accounts with these banks, by extending the tax and social insurance payment deadline. The banking crisis was not the fault of these companies and agencies and they should not therefore have financial losses.

[Drungilas] Can we now speak about 1995. As head of government, what events would you highlight? What

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are the events that the Lithuanian people are going to remember?

[Slezevicius] The issue that will be remembered most vividly is the situation in the banking sphere that has developed over the past week.

[Unidentified radio announcer interrupting] Is this issue so painful that you have to get back to it?

[Slezevicius] Well, what can I do? The crisis of the two banks will have a highly negative impact in all areas, both on the international scale, as it has attracted very close attention from the entire financial world, and on the national economy.

However, apart from the banking crisis, which I could not avoid mentioning again, according to general economic indices 1995 was better than 1994. True, not every family and not every person felt the improvement clearly enough. But we can speak about inflation, the growth of GDP, the rate of industrial growth. For example, in 1994 our industry shrank by eight percent, or, to be precise, 8.2 percent, while this year a growth of four percent is expected. Inflation has decreased, although the decrease was not as significant as we expected. The estimated annual inflation rate is about 35 percent. True, it is considerably higher than the rate which we forecast 18 months ago. Agricultural production started to grow slightly after shrinking for five consecutive years — estimated growth is about 1.8 percent. [passage omitted]

The most important figure which enables us to be somewhat optimistic is the growth in GDP. In 1994, the growth in GDP was very slight, just one percent, while this year estimated GDP growth is five percent.

Speaking about other economic indices, it is very important to say that we have managed to improve tax administration very significantly. For the first time in the past three years the budget revenue targets have been met. This is a highly satisfactory fact.

In the power engineering sphere, despite the debts burden, we started and are now maintaining the construction of the facilities which are very important for our capability to acquire energy resources independently, such as the oil export and import terminal in Klaipeda and the terminal in Butinge. [passage omitted]

The most significant advances have been achieved in the foreign policy sphere. Our achievements in this area are not questioned even by our opponents. In June, we signed a European treaty and became associate members of the European Union [EU]. At the beginning of December, an application was signed and forwarded for the full EU membership. We are actively participating in the Partnership for Peace program and in peacekeeping missions.

One can say that our foreign policy achievements are much more significant that those geared toward solving the specific problem of increasing the people's real income. Speaking about the growth of pensions in real terms, which is very important, the real growth of average pensions in 1995 will be about 13 percent.

The situation regarding the growth in the average wage is more complicated. It is difficult to estimate what the growth in wages will be, but one can say for sure that it will be smaller that the real growth in pensions. That is why in 1996 the main objective in the social sphere will to improvem these indices.

Discussing social matters further, I would like to point out that the minimum statutory wage has increased significantly this year: It currently is 180 litas. As you know, a decision has been made that, as of 1 January, it should become 210 litas. In 1995, the minimum statutory wage increased by a factor of 2.8.

Social problems will certainly represent our most important priority in 1996. [passage omitted]

Chairman of Bank of Lithuania Statement

LD2412131795 Vilnius Radio Vilnius Network in Lithuanian 1000 GMT 24 Dec 95

[FBIS Translated Text] Despite the Christmas festivities, many people in Lithuania are concerned about financial matters due to the crisis of two commercial banks earlier this week. A statement by Kazys Ratkevicius, chairman of the Bank of Lithuania, says that according to information received from the commercial banks, they had very little difficulty in paying money to the depositors whose term of deposit has expired or those who applied for early withdrawal of their deposits. No restrictions are being applied toward the applications for termination of fixed-term deposit contracts or deposit withdrawal. Some banks ordered additional amounts of foreign cash to ensure that foreign currency deposits can be withdrawn by the clients. However, foreign banks are closed on Christmas, and therefore further supplies of foreign cash will be continued only after the holidays.

All kinds of operations have been suspended at the Lithuanian Joint-Stock Innovation Bank and Litimpeks Bank in order to avoid further deterioration of the situation in these banks and possible influence on the activities of other banks.

The statement by Ratkevicius also recalls that the Seimas passed a law that allows the government to grant guarantees toward inter-bank loans, drawn for

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the purpose of solving banks' liquidity problems. The Bank of Lithuania has drafted an amendment of the law on commercial banks and prepared a draft law on state support for commercial banks. The steps taken by the Bank of Lithuania are being coordinated with the cabinet, law enforcement institutions, and international organizations in order to protect the interests of the businesses and private depositors. The general public will be further advised about further steps, the statement by Ratkevicius says.

Bank Depositers Threaten General Strike

WS2812091095 Tallinn BNS in English 2139 GMT 27 Dec 95

[FBIS Transcribed Text] Vilnius, Dec 27, BNS — A plan of action with scheduled deadlines for returning the defrauded clients of the trouble-ridden LAIB bank their deposits should be prepared by January 3, 1996.

This was the announcement made to several hundred duped depositors, who had gathered in the street in front of LAIB's Vilnius branch office, by Henrikas Paulauskas. One of those deceived, who had organized themselves to defend their interests, Paulauskas had just spoken to LAIB's temporary administrator minutes before.

Paulauskas reminded the cold crowd that Lithuania's president Brausaukas had promised Saturday over the radio that the banking crisis would be resolved by January 9. If the president's promise, Paulauskas said, does not pan out, all defrauded depositors should turn out for a demonstration on January 10 in front of the parliament building on Independence Square.

During today's spontaneous protest, signatures were collected for a petition to the Lithuanian president, prime minister and chairman of the Bank of Lithuania. The petition demands that depositors be given a timetable without delay for when their savings will be returned, in its entirety plus interest.

If LAIB's financial affairs are utterly beyond repair, the depositors demanded in their petition that the bank be nationalized and that their property as citizens as well as their constitutional rights be defended in this fashion.

Severe punishment was demanded for those behind the embezzlement of the bank's funds, and depositors should be informed on a daily basis as to measures taken to comply with their demands.

If this does not occur, the demonstrators threaten to stop paying their taxes and move on to more radical forms of resistance, including "a political general strike."

Juozas Bernatonis, parliamentary deputy chairman, invited some the demonstrators into his office. He said the meeting had been "calm, constructive and business-like."

Officials: 'No Cause for Panic'

WS2812094095 Tallinn BNS in English 1107 GMT 27 Dec 95

[FBIS Transcribed Text] Vilnius, Dec 27, BNS — The crises at the two largest Lithuanian commercial banks — the Lithuanian Joint-Stock Innovative Bank (LAIB) and the Litimpeks Bank — are no cause for panic, announced the chiefs of the Lithuanian administration and the Bank of Lithuania. They also categorically countered allegations that these two possible bankruptcies cases could cause a chain reaction among Lithuanian commercial banks.

Prime Minister Adolfas Slezevicius stated at a press conference on Friday that Lithuanian banks have enough liquidity to allow stability of the banking system to be guaranteed. According to the premier, citizens with savings in the country's other commercial banks can rest assured that their deposits are secure. No restrictions on withdrawal of deposits are going to be introduced — now or in the future.

The banking operations of LAIB and Litimpeks, on the other hand, are unlikely to be resumed for another "several months." Slezevicius said that the two culprits had to be halted to prevent embezzlement of money in the accounts of these banks.

Kazys Ratkevicius, chairman of the board of the central bank, said at the same press conference that there were about 320 million litas in the accounts of Lithuania's commercial banks at this point, and that in their safe deposit boxes, as of Friday, another additional 35 million litas and 11 million USD were being held.

Ratkevicius also stated that the crises at LAIB and Litimpeks would have absolutely no effect on the stability of the Lithuanian currency. Standing behind that stability were reserves of more than 800 million USD, an awesome guarantee.

Swedish Firm To Help Guard Ignalina Nuclear Plant

LD2212173295 Moscow ITAR-TASS in English 1408 GMT 22 Dec 95

[By Vladas Burbulis]

[FBIS Transcribed Text] VILNIUS December 22 (Itar-Tass) — The Ignalina nuclear power plant will be heavier guarded due to the assistance of Sweden. An

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agreement was signed on Friday with ABB Swedish firm on the supply and assembly of equipment to tighten control over those entering the premises of the nuclear plant and observance of the situation outside the plant.

The agreement followed a series of threats to explode the nuclear power plant that there made last year. Both reactors then had to be shut off which resulted in losses running into millions. The Lithuanian Cabinet of Ministers asked the Swedish government to allocate funds to improve guarding of the station.

Sweden has allocated four million kronor for the purpose. The funds will be spent for introducing the code check system, installing TV camerers, metal detectors and other equipment.

St. Petersburg Boosting Economic, Trade Ties

MM2812090495 Moscow ROSSIYSKAYA GAZETA in Russian 26 Dec 95 p 14

[Report by Valeriy Rubin: "Ties Being Revived" — from the "Departmental Supplement" section]

[FBIS Translated Text] St. Petersburg — Since Lithuania acquired its independence, economic cooperation with Russia's northern capital, including in the sphere of trade, has gradually gained momentum.

Russian-Lithuanian economic relations have seen some dramatic changes. Today the main flow of exports from Lithuania is westward — over 50 percent of its output. Russia's share nevertheless remains fairly high at around 35 percent. Lithuanian firms are particularly interested in buying equipment, tools, energy resources, timber, and lumber.

Lithuanian goods, known for their quality and relative cheapness, are once again making their way onto the St. Petersburg market. Lithuanian Consul General in St. Petersburg Mr. E. Gruzhas [name as transliterated] is very hopeful that a good base will appear in the near future in the form of a business center, which would be able to coordinate business contacts and ties between Russian and Lithuanian firms.

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